

**UNIFIED SCHOOL DISTRICT NUMBER 312
HAVEN, KANSAS**

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2011

**Unified School District Number 312
Haven, Kansas**

Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>ITEM</u>	<u>Page Number</u>
	Independent Auditor's Report	1 – 2
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 – 4
	Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	5 – 6
Statement 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash.....	7
Statement 2	Summary of Cash Expenditures – Actual and Budget	8
Statement 3	Statement of Cash Receipts and Expenditures – Actual and Budget	9 - 32
Statement 4	Agency Funds - Statement of Cash Receipts and Cash Disbursements	33 - 34
Statement 5	District Activity Funds - Statement of Cash Receipts and Cash Disbursements - Actual	
	Gate Receipts	35
	School Projects.....	35
	Notes to the Financial Statements.....	36 - 44
OTHER SUPPLEMENTAL INFORMATION		
Schedule 1	Schedule of Expenditures of Federal Awards	45
Schedule 2	Summary Schedule of Prior Year Audit Findings	46
Schedule 3	Schedule of Findings and Questioned Costs	47 - 49



SWINDOLL
JANZEN
HAWK &
LOYD, LLC

Certified Public Accountants

Celebrating *75th*
Our *Anniversary*
1936 - 2011

B. Carver Swindoll, CPA
Keith S. Janzen, CPA
Kyle J. Hawk, CPA, CMAP
D. Scot Loyd, CPA, CGFM
Chet L. Buchman, CPA, CVA

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 312
Haven, Kansas 67543

We have audited the accompanying financial statements of Unified School District Number 312, Haven, Kansas, as of and for the year ended June 30, 2011. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial (and summarized) comparative information has been derived from the District's 2010 financial statements and, in our report dated October 4, 2010. We express an unqualified opinion on the financial statements taken as a whole.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepared these financial statements in conformity with accounting practices prescribed by the State of Kansas to demonstrate compliance with cash basis and budget laws of the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2011, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the District as of June 30, 2011, and its cash receipts and expenditures, and budgetary comparisons for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2011, on our consideration of the Unified School District Number 312's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Unified School District Number 312, Haven, Kansas' financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements of Unified School District Number 312, Haven, Kansas. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Sumrell, Ganga, Hawk & Loyd, LLC

Certified Public Accountants

September 30, 2011



SWINDOLL
JANZEN
HAWK &
LOYD, LLC

Celebrating *75th*
Our Anniversary
1936 - 2011

B. Carver Swindoll, CPA
Keith S. Janzen, CPA
Kyle J. Hawk, CPA, CMAP
D. Scot Loyd, CPA, CGFM
Chet L. Buchman, CPA, CVA

Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Unified School District Number 312
Haven, Kansas

We have audited the financial statements of the Unified School District Number 312 as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Auditing Guide*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

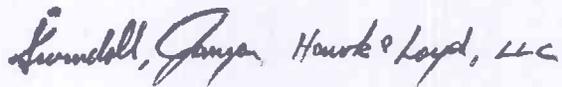
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (11-01 and 11-02). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District, in a separate letter dated September 30, 2011.

This report is intended solely for the information and use of management, Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Swindoll Janzen Hawk & Loyd, LLC

September 30, 2011



SWINDOLL
JANZEN
HAWK &
LOYD, LLC

Certified Public Accountants

Celebrating **75th**
Our Anniversary
1936 - 2011

B. Carver Swindoll, CPA
Keith S. Janzen, CPA
Kyle J. Hawk, CPA, CMAP
D. Scot Loyd, CPA, CGFM
Chet L. Buchman, CPA, CVA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Unified School District Number 312
Haven, Kansas

Compliance

We have audited the compliance of the Unified School District Number 312 with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

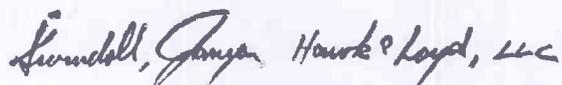
Management of the Unified School District Number 312 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Swindoll Janzen Hawk & Loyd, LLC

September 30, 2011

Unified School District Number 312
Haven, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2011

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General	\$ (361,911)	\$ 6,905,747	\$ 7,020,051	\$ (476,215)	\$ 228	\$ (475,987)
Supplemental General	(107,346)	2,547,825	2,446,630	(6,151)	2,014	(4,137)
SPECIAL REVENUE FUNDS						
Capital Outlay	49,061	373,172	54,225	368,008	10,236	378,244
Driver Training	8,769	12,097	8,108	12,758	620	13,378
Food Service	10,866	504,599	474,575	40,890	-	40,890
Professional Development	-	-	-	-	-	-
Special Education	-	1,336,139	1,183,190	152,949	580	153,529
Vocational Education	-	192,355	173,155	19,200	-	19,200
KPERs Special Retirement Contribution	(201,473)	569,924	368,451	-	-	-
At Risk (4 Yr Old)	-	27,559	27,559	-	-	-
At Risk (K-12)	-	561,810	561,810	-	-	-
Bilingual Education	-	11,234	11,234	-	-	-
Textbook/Student Material Revolving	17,059	57,483	2,203	72,339	-	72,339
Title I	-	229,029	229,029	-	-	-
Title II-A	-	58,650	58,650	-	1,320	1,320
Title II-D	-	612	612	-	-	-
Virtual Education	-	322,440	303,551	18,889	-	18,889
Other Federal Funds	4,207	18,471	17,945	4,733	247	4,980
Student Scholarship	8,952	5,946	4,860	10,038	-	10,038
Student Contest Awards	11,029	6,522	5,442	12,109	857	12,966
Gate Receipts	6,524	42,027	41,411	7,140	-	7,140
School Projects	58	2,908	2,922	44	-	44
DEBT SERVICE FUNDS						
Bond and Interest	578,717	582,383	674,265	486,835	-	486,835
Total (Excluding Agency Funds)	\$ 24,512	\$ 14,368,932	\$ 13,669,878	\$ 723,566	\$ 16,102	\$ 739,668

COMPOSITION OF CASH:

Money Market Account - BankHaven, Haven, KS	\$ 1,134
Checking Account - BankHaven, Haven, KS	1,048
Checking Account - First National Bank, Mt. Hope, KS	178,435
Money Market Account - First National Bank, Mt. Hope, KS	543,567
Petty Cash Accounts	8,300
Certificate of Deposit - Haven High School Activity	10,000
Checking Account - Haven High School Activity	17,385
Checking Account - Haven Middle School Activity	1,492
Checking Account - Haven Grade School Activity	6,085
Checking Account - Partridge Grade School Activity	9,521
Checking Account - Pleasantview Academy	382
Checking Account - Yoder Grade School Activity	8,089
Total Cash	785,438
Agency Funds per Statement 4	(45,770)
Total (Excluding Agency Funds)	\$ 739,668

STATEMENT 1

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

**Unified School District Number 312
Haven, Kansas**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2011**

	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General	\$ 7,174,258	\$ (164,036)	\$ 9,829	\$ 7,020,051	\$ 7,020,051	\$ -
Supplemental General	2,309,288	-	137,342	2,446,630	2,446,630	-
SPECIAL REVENUE FUNDS						
Bilingual Education	11,234	-	-	11,234	11,234	-
Capital Outlay	345,351	-	-	345,351	54,225	291,126
Driver Training	9,665	-	-	9,665	8,108	1,557
Food Service	512,882	-	1,108	513,990	474,575	39,415
Professional Development	-	-	-	-	-	-
Special Education	1,298,805	-	-	1,298,805	1,183,190	115,615
Vocational Education	180,000	-	-	180,000	173,155	6,845
KPERs Special Retirement Contribution	456,927	-	-	456,927	368,451	88,476
At Risk (4 Yr Old)	36,108	-	-	36,108	27,559	8,549
At Risk (K-12)	572,512	-	-	572,512	561,810	10,702
Virtual Education	322,440	-	-	322,440	303,551	18,889
DEBT SERVICE FUNDS						
Bond and Interest	674,366	-	-	674,366	674,265	101
 Total	 <u>\$ 13,903,836</u>	 <u>\$ (164,036)</u>	 <u>\$ 148,279</u>	 <u>\$ 13,888,079</u>	 <u>\$ 13,306,804</u>	 <u>\$ 581,275</u>

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

Unified School District Number 312

Haven, Kansas

GENERALSTATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 13,458	\$ 10,229	\$ 13,343	\$ (3,114)
Current year	965,431	1,021,865	994,489	27,376
Delinquent tax	20,628	19,600	9,992	9,608
State aid	5,011,139	4,646,205	5,012,646	(366,441)
Special education aid	852,660	858,429	1,022,155	(163,726)
Federal aid - ARRA	326,350	121,643	121,643	-
Federal aid - Education Jobs	-	212,996	-	212,996
Mineral production tax	3,937	4,951	-	4,951
Miscellaneous reimbursements	4,093	9,829	-	9,829
Total Cash Receipts	7,197,696	6,905,747	\$ 7,174,268	\$ (268,521)
Expenditures:				
Instruction -				
Certified salaries	2,665,656	2,401,048	\$ 2,448,217	\$ 47,169
Certified salaries - ARRA	270,350	121,643	-	(121,643)
Certified salaries - Education Jobs	-	212,996	-	(212,996)
Non-certified salaries	97,915	107,158	98,240	(8,918)
Insurance	270,032	266,471	271,500	5,029
Insurance - ARRA	34,000	-	-	-
Social Security	237,407	211,767	245,366	33,599
Social Security - ARRA	22,000	-	-	-
Other benefits	71,867	80,770	74,300	(6,470)
Professional services	35,663	19,261	35,000	15,739
Other purchased services	14,124	14,521	49,012	34,491
Teaching supplies	12,430	100	-	(100)
Textbooks	-	25,068	-	(25,068)
Property and equipment	-	131	-	(131)
Student Support Services -				
Certified salaries	100,078	98,820	101,000	2,180
Insurance	9,400	9,840	9,640	(200)
Social Security	7,471	7,333	7,500	167
Other benefits	894	728	900	172
Other purchased services	1,288	25	1,375	1,350
Other	197	136	-	(136)
Instruction Support Staff -				
Certified salaries	163,992	95,822	50,070	(45,752)
Non-certified salaries	33,333	32,823	37,641	4,818
Insurance	13,080	9,476	4,620	(4,856)
Social Security	14,864	9,675	6,280	(3,395)
Other benefits	2,692	3,870	1,400	(2,470)
Other purchased services	462	-	45	45
Books, periodicals and general supplies	10,411	8,487	9,825	1,338
Audiovisual/instructional software	5,291	5,214	4,800	(414)
Equipment	510	-	-	-
Other	4,665	2,291	5,010	2,719

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

Unified School District Number 312
Haven, Kansas

GENERAL (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Expenditures (cont.):				
General Administration -				
Certified salaries	\$ 94,938	\$ 92,093	\$ 94,850	\$ 2,757
Non-certified salaries	31,759	31,058	33,066	2,008
Insurance	4,380	4,258	4,620	362
Social Security	9,278	8,840	9,200	360
Other benefits	932	1,191	925	(266)
Professional services	14,123	26,205	14,750	(11,455)
Insurance	180	2,961	200	(2,761)
Communications	-	837	-	(837)
Other	723	1,222	800	(422)
Supplies	76	-	100	100
Other	13,498	12,664	13,100	436
School Administration -				
Certified salaries	69,321	371,086	375,877	4,791
Non-certified salaries	180,395	63,784	203,575	139,791
Insurance	33,625	22,332	34,000	11,668
Social Security	42,466	35,169	43,000	7,831
Other benefits	5,783	4,450	5,900	1,450
Communications	184	1,902	310	(1,592)
Other	3,407	2,498	3,500	1,002
Supplies	5,807	3,305	2,190	(1,115)
Property and equipment	150	-	-	-
Operations and Maintenance -				
Non-certified salaries	311,239	275,033	313,166	38,133
Insurance	34,915	32,483	39,270	6,787
Social Security	23,269	20,185	23,000	2,815
Other benefits	3,554	6,725	3,600	(3,125)
Professional services	30	-	-	-
Water/sewer	11,198	9,960	13,148	3,188
Cleaning	13,611	11,778	14,000	2,222
Rentals	597	777	600	(177)
Property and equipment	-	1,872	-	(1,872)
Vehicle Operating Services -				
Non-certified salaries	191,719	171,489	195,500	24,011
Social Security	14,529	13,488	14,700	1,212
Other benefits	14,000	25,300	14,000	(11,300)

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

Unified School District Number 312
Haven, Kansas

GENERAL (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2011</u>			
	<u>2010 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (cont.):				
Vehicle & Maintenance Services -				
Non-certified salaries	\$ 50,565	\$ 57,286	\$ 50,600	\$ (6,686)
Insurance	2,190	1,493	2,310	817
Social Security	3,853	4,261	3,800	(461)
Other benefits	4,448	1,068	4,050	2,982
Other purchased services	-	182	-	(182)
Other Support Services -				
Non-certified salaries	86,944	84,251	87,551	3,300
Insurance	4,320	4,383	4,620	237
Social Security	6,656	6,435	6,700	265
Other benefits	584	308	800	492
Professional services	5,342	4,353	6,000	1,647
Purchased property service	1,050	1,088	1,700	612
Other purchased services	5,732	5,070	6,300	1,230
Supplies	1,601	1,110	1,600	490
Property and equipment	-	665	-	(665)
Outgoing Transfers -				
Bilingual Education	-	11,234	11,234	-
Capital Outlay	-	-	70,351	70,351
Food Service	-	14,239	-	(14,239)
Special Education	852,660	858,429	1,072,145	213,716
Vocational Education	-	51,968	-	(51,968)
At Risk (K-12)	530,788	561,810	561,810	-
At Risk 4 year old	38,610	27,559	27,559	-
Virtual Education	88,578	322,440	322,440	-
Adjustment to comply with legal max	-	-	(164,036)	(164,036)
Legal General Fund Budget	6,913,679	7,020,051	7,010,222	(9,829)
Adjustment for qualifying budget credits	-	-	9,829	9,829
Total Expenditures	<u>6,913,679</u>	<u>7,020,051</u>	<u>\$ 7,020,051</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	284,017	(114,304)		
Unencumbered Cash, Beginning	<u>(645,928)</u>	<u>(361,911)</u>		
Unencumbered Cash, Ending	<u>\$ (361,911)</u>	<u>\$ (476,215)</u>		*

* See Note 9 (Statutory Presentation)

Unified School District Number 312
Haven, Kansas

SUPPLEMENTAL GENERAL

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010		2011		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Cash Receipts:					
Taxes and Shared Revenue -					
Ad valorem property					
Prior year	\$ 17,530	\$ 13,765	\$ 20,241	\$ (6,476)	
Current year	1,159,867	1,164,421	1,100,576	63,845	
Delinquent tax	26,934	25,666	12,048	13,618	
Motor vehicle tax	138,028	128,162	145,209	(17,047)	
Recreational vehicle tax	2,455	1,987	2,730	(743)	
Supplemental state aid	701,932	1,076,482	949,884	126,598	
Federal aid - ARRA	240,409	-	-	-	
Miscellaneous reimbursements	157,334	137,342	-	137,342	
Total Cash Receipts	2,444,489	2,547,825	\$ 2,230,688	\$ 317,137	
Expenditures:					
Instruction -					
Certified salaries	-	367,620	\$ 367,619	\$ (1)	
Certified salaries - ARRA	240,409	-	-	-	
Non-certified salaries	139,179	95,026	153,311	58,285	
Social Security	22,245	4,867	33,000	28,133	
Other employee benefits	1,585	4,020	4,000	(20)	
Purchased professional and technical services	7,529	9,075	7,650	(1,425)	
Other purchased services	14,147	23,841	27,600	3,759	
General supplies	92,919	74,401	97,390	22,989	
Textbooks	8,435	6,288	-	(6,288)	
Property and equipment	41,201	17,766	1,300	(16,466)	
Other	53,442	55,761	51,985	(3,776)	
Instruction Support Staff -					
General supplies	805	360	1,150	790	
Other	192	-	2,100	2,100	
School Administration -					
Certified salaries	379,359	-	35,000	35,000	
Noncertified Salaries	-	102,770	5,000	(97,770)	
Other benefits	1,314	1,777	1,350	(427)	
Other purchased services	29,716	25,548	28,650	3,102	

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

Unified School District Number 312
Haven, Kansas

SUPPLEMENTAL GENERAL

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Operations and Maintenance -				
Purchased Professional Services	\$ 5,558	\$ 4,214	\$ 5,600	\$ 1,386
Repairs and maintenance	41,897	293,203	45,000	(248,203)
General Supplies	138,508	84,656	137,400	52,744
Heating	93,724	82,485	94,000	11,515
Electricity	198,101	185,490	198,218	12,728
Motor Fuel	64,339	75,676	67,000	(8,676)
Property and equipment	15,280	-	-	-
Other	79,577	67,438	100,300	32,862
Student Transportation Services -				
Other benefits	-	-	10,000	10,000
Other purchased services	25,256	39,649	26,300	(13,349)
Supplies	7,532	5,674	7,900	2,226
Repairs and maintenance	19,184	19,858	20,000	142
Motor Fuel	8,857	10,147	8,800	(1,347)
Other	3,342	2,862	3,300	438
Property and equipment	119,953	119,171	167,000	47,829
Outgoing Transfers -				
Driver Education	-	-	5,000	5,000
Food Service	71,578	48,890	80,000	31,110
Professional Development	3,801	-	-	-
Special Education	342,290	477,710	336,365	(141,345)
Vocational Education	161,722	140,387	180,000	39,613
Legal Supplemental General Fund				
Budget	2,432,976	2,446,630	2,309,288	(137,342)
Adjustment for qualifying budget credi	-	-	137,342	137,342
Total Expenditures	2,432,976	2,446,630	\$ 2,446,630	\$ -
Receipts Over (Under) Expenditures	11,513	101,195		
Unencumbered Cash, Beginning	(118,859)	(107,346)		
Unencumbered Cash, Ending	\$ (107,346)	\$ (6,151) *		

* See Note 9 (Statutory Presentation)

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

Unified School District Number 312
Haven, Kansas

CAPITAL OUTLAY

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Ad valorem property				
Current year	\$ 132,290	\$ 222,882	\$ 217,825	\$ 5,057
Prior year	1,199	556	2,309	(1,753)
Delinquent taxes	1,649	3,019	1,374	1,645
Interest on idle funds	7,310	6,349	-	6,349
Other local source revenue	35,796	129,884	-	129,884
Motor vehicle tax	5,383	10,315	12,095	(1,780)
Recreational vehicle tax	98	167	227	(60)
Transfer from General	-	-	70,351	(70,351)
	<u>183,725</u>	<u>373,172</u>	<u>\$ 304,181</u>	<u>\$ 68,991</u>
Expenditures:				
Instruction -				
Property	80,859	-	\$ 50,000	\$ 50,000
Operations and maintenance -				
Property	1,572	43,485	-	(43,485)
Transportation -				
Property	-	10,740	50,000	39,260
Other Support Services -				
Other	27	-	-	-
Building Improvements	<u>156,550</u>	<u>-</u>	<u>245,351</u>	<u>245,351</u>
	<u>239,008</u>	<u>54,225</u>	<u>\$ 345,351</u>	<u>\$ 291,126</u>
Receipts Over (Under) Expenditures	(55,283)	318,947		
Unencumbered Cash, Beginning	<u>104,344</u>	<u>49,061</u>		
Unencumbered Cash, Ending	<u>\$ 49,061</u>	<u>\$ 368,008</u>		

Unified School District Number 312
Haven, Kansas

DRIVER TRAINING

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State aid	\$ 2,350	\$ 3,182	\$ 2,800	\$ 382
Miscellaneous revenue	8,762	8,915	-	8,915
Transfer from Supplemental General	-	-	5,000	(5,000)
Total Cash Receipts	<u>11,112</u>	<u>12,097</u>	<u>\$ 7,800</u>	<u>\$ 4,297</u>
Expenditures:				
Certified salaries	7,029	6,416	\$ 7,500	\$ 1,084
Social Security	532	491	600	109
Other benefits	7	9	50	41
Teaching supplies - equipment	88	-	-	-
Motor fuel	1,457	1,074	1,500	426
Other vehicle operation	13	118	15	(103)
Total Expenditures	<u>9,126</u>	<u>8,108</u>	<u>\$ 9,665</u>	<u>\$ 1,557</u>
Receipts Over (Under) Expenditures	1,986	3,989		
Unencumbered Cash, Beginning	<u>6,783</u>	<u>8,769</u>		
Unencumbered Cash, Ending	<u>\$ 8,769</u>	<u>\$ 12,758</u>		

Unified School District Number 312
Haven, Kansas

FOOD SERVICE

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State aid	\$ 5,740	\$ 5,342	\$ 4,626	\$ 716
Federal aid	233,886	229,786	228,773	1,013
Kid depot	3,561	1,575	-	1,575
Student sales - breakfast	-	-	9,721	(9,721)
Student sales - lunch and milk	191,409	187,279	169,796	17,483
Adult sales	16,430	15,630	20,240	(4,610)
Transfer from General	-	14,239	-	14,239
Transfer from Supplemental General	71,578	48,890	80,000	(31,110)
Miscellaneous revenue	1,010	750	-	750
Miscellaneous reimbursements	1,753	1,108	-	1,108
Total Cash Receipts	525,367	504,599	\$ 513,156	\$ (8,557)
Expenditures:				
Food Service Operation -				
Non-certified salaries	178,878	169,860	\$ 184,482	\$ 14,622
Insurance	21,070	18,960	23,100	4,140
Social Security	12,977	12,196	13,300	1,104
Other benefits	13,212	2,205	2,000	(205)
Other purchased services	79	2,182	-	(2,182)
Food and milk	275,068	256,700	280,000	23,300
Miscellaneous supplies	13,217	11,547	10,000	(1,547)
Property and equipment	-	175	-	(175)
Other	-	750	-	(750)
Legal Food Service Fund Budget	514,501	474,575	512,882	38,307
Adjustment for qualifying budget credits	-	-	1,108	1,108
Total Expenditures	514,501	474,575	\$ 513,990	\$ 39,415
Receipts Over (Under) Expenditures	10,866	30,024		
Unencumbered Cash, Beginning	-	10,866		
Unencumbered Cash, Ending	\$ 10,866	\$ 40,890		

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

Unified School District Number 312
Haven, Kansas

PROFESSIONAL DEVELOPMENT

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from Supplemental General	\$ 3,801	\$ -	\$ -	\$ -
Expenditures:				
Purchased professional services	615	-	\$ -	\$ -
Other purchased services	5,285	-	-	-
Total Expenditures	5,900	-	\$ -	\$ -
Receipts Over (Under) Expenditures	(2,099)	-		
Unencumbered Cash, Beginning	2,099	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 312
Haven, Kansas

SPECIAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Local source revenue	-	-	-	-
Transfer from General	\$ 852,660	\$ 858,429	\$ 962,440	\$ (104,011)
Transfer from Supplemental General	342,290	477,710	336,365	141,345
Total Cash Receipts	<u>1,194,950</u>	<u>1,336,139</u>	<u>\$ 1,298,805</u>	<u>\$ 37,334</u>
Expenditures:				
Instruction -				
Payment to Special Education Coop	1,095,525	1,087,930	\$ 1,196,805	\$ 108,875
Other	-	1,569	-	(1,569)
Vehicle Operating Service -				
Non-certified salaries	47,967	45,287	50,000	4,713
Social Security	3,662	3,084	3,825	741
Other	308	554	330	(224)
Mileage in lieu of transportation	16,731	7,580	18,000	10,420
Insurance	3,800	4,000	4,000	-
Miscellaneous supplies	367	1,047	-	(1,047)
Motor fuel	22,846	25,479	20,760	(4,719)
Property and equipment	-	5,760	-	(5,760)
Vehicle Service and Maintenance -				
Other purchased services	3,465	11	50	39
Other	279	889	5,035	4,146
Total Expenditures	<u>1,194,950</u>	<u>1,183,190</u>	<u>\$ 1,298,805</u>	<u>\$ 115,615</u>
Receipts Over (Under) Expenditures	-	152,949		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 152,949</u>		

Unified School District Number 312
Haven, Kansas

VOCATIONAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ -	\$ 51,968	\$ -	\$ 51,968
Transfer from Supplemental General	161,722	140,387	180,000	(39,613)
Total Receipts	161,722.00	192,355.00	\$ 180,000	\$ 12,355
Expenditures:				
Instruction -				
Certified salaries	115,087	115,774	\$ 150,450	\$ 34,676
Insurance	10,644	11,052	-	(11,052)
Social Security	8,418	8,359	4,550	(3,809)
Other	1,005	1,145	-	(1,145)
Payment to Vocational Education Coop	23,893	15,574	25,000	9,426
Property and equipment	-	8,561	-	(8,561)
Other Supplement Services -				
Non-certified salaries	2,483	11,523	-	(11,523)
Social Security	190	851	-	(851)
Other	2	316	-	(316)
Total Expenditures	161,722	173,155	\$ 180,000	\$ 6,845
Receipts Over (Under) Expenditures	-	19,200		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 19,200		

Unified School District Number 312
Haven, Kansas

KPERS SPECIAL RETIREMENT CONTRIBUTION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State Sources - KPERS	\$ 206,498	\$ 569,924	\$ 456,927	\$ 112,997
Expenditures:				
Employee Benefits -				
Instruction	277,951	246,861	\$ 316,507	\$ 69,646
Student Support	7,880	7,369	8,510	1,141
Instructional Support	19,700	18,423	21,276	2,853
General Administration	7,880	7,369	8,510	1,141
School Administration	59,100	55,268	63,828	8,560
Other Supplemental Services	3,940	3,685	4,255	570
Operations & Maintenance	19,700	18,423	21,276	2,853
Student Transportation Services	3,940	3,685	4,255	570
Food Service	7,880	7,368	8,510	1,142
Total Expenditures	407,971	368,451	\$ 456,927	\$ 88,476
Receipts Over (Under) Expenditures	(201,473)	201,473		
Unencumbered Cash, Beginning	-	(201,473)		
Unencumbered Cash, Ending	\$ (201,473)	\$ -		

Unified School District Number 312
Haven, Kansas

AT RISK (4 YR OLD)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ 38,610	\$ 27,559	\$ 36,108	\$ (8,549)
Expenditures:				
Instruction -				
Certified salaries	38,610	25,251	\$ 33,958	\$ 8,707
Social Security	-	2,108	2,000	(108)
Other employee benefits	-	200	150	(50)
Total Expenditures	38,610	27,559	\$ 36,108	\$ 8,549
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 312
Haven, Kansas

AT RISK (K-12)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ 530,788	\$ 561,810	\$ 572,512	\$ (10,702)
Expenditures:				
Instruction -				
Certified salaries	384,698	437,143	\$ 424,199	\$ (12,944)
Non certified salaries	37,295	49,524	55,088	5,564
Insurance	21,900	22,213	21,115	(1,098)
Social Security	32,471	35,174	29,885	(5,289)
Other employee benefits	4,257	5,655	5,000	(655)
Purchased property services	94	-	-	-
Other purchased services	6,750	427	-	(427)
Supplies	31,575	7,415	25,000	17,585
Operations and maintenance -				
Non certified salaries	7,193	2,371	6,600	4,229
Social Security	550	179	600	421
Other employee benefits	7	103	25	(78)
Other purchased services	-	1,000	-	(1,000)
Motor fuel	3,998	606	5,000	4,394
Total Expenditures	530,788	561,810	\$ 572,512	\$ 10,702
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 312
Haven, Kansas

BILINGUAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ -	\$ 11,234	\$ 11,234	\$ -
Expenditures:				
Certified salaries	-	10,734	\$ 10,000	\$ (734)
Social Security	-	500	500	-
Other purchased services	-	-	734	734
Total Expenditures	-	11,234	\$ 11,234	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 312
Haven, Kansas

TEXTBOOK/STUDENT MATERIAL REVOLVING

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Student fees and materials	\$ 41,368	\$ 49,363
Other revenue from local source	9,022	8,120
	<u>50,390</u>	<u>57,483</u>
Total Receipts		
Expenditures:		
Instruction -		
Textbooks	26,166	-
Support Services -		
Special clothing and towels	298	584
Other material and supplies	11,262	1,619
	<u>37,726</u>	<u>2,203</u>
Total Expenditures		
Receipts Over (Under) Expenditures	12,664	55,280
Unencumbered Cash, Beginning	<u>4,395</u>	<u>17,059</u>
Unencumbered Cash, Ending	<u>\$ 17,059</u>	<u>\$ 72,339</u>

Unified School District Number 312
Haven, Kansas

TITLE I

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal grant award	\$ 200,985	\$ 180,760
Federal grant award - ARRA	<u>48,800</u>	<u>48,269</u>
Total Cash Receipts	<u>249,785</u>	<u>229,029</u>
Expenditures:		
Certified salaries	125,508	113,142
Certified salaries - ARRA	44,500	46,558
Non-certified salaries	33,859	33,608
Insurance	8,760	15,593
Insurance - ARRA	4,300	1,711
Social Security	11,462	14,100
Other employee benefits	2,489	956
Purchased professional services	625	-
Purchased property services	-	200
General supplies	4,464	2,913
Other	9,329	248
Transportation costs	<u>4,489</u>	<u>-</u>
Total Expenditures	<u>249,785</u>	<u>229,029</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 312
Haven, Kansas

TITLE II-A

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal grant	\$ 58,981	\$ 58,650
Expenditures:		
Instruction -		
Certified salaries	29,000	27,693
Insurance	2,190	1,905
Social Security	2,009	2,017
Other employee benefits	25	507
Purchased professional services	120	39
Other purchased services	25,637	25,669
Other	-	820
Total Expenditures	<u>58,981</u>	<u>58,650</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 312
Haven, Kansas

TITLE II-D

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal grant	\$ 1,600	\$ 612
Federal grant - ARRA	3,935	-
	<u>5,535</u>	<u>612</u>
Total Cash Receipts		
Expenditures:		
Instruction -		
Other purchased services	1,600	611
Other purchased services - ARRA	3,935	-
General supplies	-	1
	<u>5,535</u>	<u>612</u>
Total Expenditures		
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 312
Haven, Kansas

VIRTUAL EDUCATION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 88,578	\$ 322,440	\$ 11,234	\$ (311,206)
Expenditures:				
Instruction -				
Certified salaries	63,617	113,887	\$ 216,078	\$ 102,191
Non-certified salaries	-	-	9,000	9,000
Insurance	-	15,350	9,240	(6,110)
Social Security	3,578	8,737	11,864	3,127
Other employee benefits	-	2,324	701	(1,623)
Purchased professional services	-	44,943	51,776	6,833
Other purchased services	21,383	-	-	-
Supplies	-	4,371	-	(4,371)
Property and equipment	-	57,771	23,781	(33,990)
General Administration -				
Certified salaries	-	6,144	-	(6,144.00)
School Administration -				
Certified salaries	-	25,000	-	(25,000.00)
Non-certified salaries	-	7,900	-	(7,900)
Insurance	-	9,281	-	(9,281)
Social Security	-	2,517	-	(2,517)
Other employee benefits	-	208	-	(208)
Operations and Maintenance -				
Non-certified salaries	-	130	-	(130)
Other purchased services	-	3,000	-	(3,000)
Supplies	-	270	-	(270)
Utilities	-	1,718	-	(1,718)
Total Expenditures	88,578	303,551	\$ 322,440	\$ 18,889
Receipts Over (Under) Expenditures	-	18,889		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 18,889		

Unified School District Number 312
Haven, Kansas

OTHER FEDERAL FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Drug Free Schools	\$ 1,813	\$ -
Carl Perkins	3,678	3,446
Miscellaneous grants	7,860	14,875
Kansas Beef Council	150	150
	<hr/>	<hr/>
Total Cash Receipts	13,501	18,471
	<hr/>	<hr/>
Expenditures:		
Drug Free Schools -		
Materials	1,813	-
Miscellaneous grants	7,860	14,496
Kansas Beef Council	150	3
Carl Perkins	10,297	3,446
	<hr/>	<hr/>
Total Expenditures	20,120	17,945
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(6,619)	526
Unencumbered Cash, Beginning	10,826	4,207
	<hr/>	<hr/>
Unencumbered Cash, Ending	\$ 4,207	\$ 4,733
	<hr/>	<hr/>

Unified School District Number 312
Haven, Kansas

STUDENT SCHOLARSHIP

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Donations	\$ 4,537	\$ 5,946
Expenditures:		
Scholarships awarded	<u>5,260</u>	<u>4,860</u>
Receipts Over (Under) Expenditures	(723)	1,086
Unencumbered Cash, Beginning	<u>9,675</u>	<u>8,952</u>
Unencumbered Cash, Ending	<u>\$ 8,952</u>	<u>\$ 10,038</u>

Unified School District Number 312
Haven, Kansas

STUDENT CONTEST AWARDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Miscellaneous revenue	\$ 2,325	\$ 6,522
Expenditures:		
Purchased professional services	<u>599</u>	<u>5,442</u>
Receipts Over (Under) Expenditures	1,726	1,080
Unencumbered Cash, Beginning	<u>9,303</u>	<u>11,029</u>
Unencumbered Cash, Ending	<u>\$ 11,029</u>	<u>\$ 12,109</u>

Unified School District Number 312
Haven, Kansas

BOND AND INTEREST

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 5,518	\$ 4,265	\$ 6,052	\$ (1,787)
Current year	348,138	344,514	335,378	9,136
Delinquent tax	9,867	8,155	3,616	4,539
Motor vehicle tax	50,843	39,801	44,969	(5,168)
Recreational vehicle tax	902	615	845	(230)
Bond proceeds	24,835	-	-	-
State aid	171,037	185,033	188,794	(3,761)
Total Cash Receipts	<u>611,140</u>	<u>582,383</u>	<u>\$ 579,654</u>	<u>\$ 2,729</u>
Expenditures:				
Interest	109,649	84,265	\$ 84,266	\$ 1
Principal	510,000	590,000	590,000	-
Commission and postage	18,505	-	100	100
Total Expenditures	<u>638,154</u>	<u>674,265</u>	<u>\$ 674,366</u>	<u>\$ 101</u>
Receipts Over (Under) Expenditures	(27,014)	(91,882)		
Unencumbered Cash, Beginning	<u>605,731</u>	<u>578,717</u>		
Unencumbered Cash, Ending	<u>\$ 578,717</u>	<u>\$ 486,835</u>		

Unified School District Number 312
Haven, Kansas

AGENCY FUNDS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended June 30, 2011

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organizations				
Haven High School:				
Art Club	\$ 807	\$ 220	\$ 1,024	\$ 3
Band concessions	103	585	634	54
Cheerleaders	770	3,547	2,753	1,564
Class of 2011	3,628	140	3,768	-
Class of 2012	203	13,583	13,467	319
Class of 2013	136	749	-	885
Class of 2014	-	90	34	56
FCA	269	119	303	85
FFA	5,055	55,942	60,343	654
Kayettes	673	2,032	2,168	537
Lettermen's Club	397	510	609	298
Fine arts - music	10,508	26,839	30,258	7,089
Spanish Club	81	-	-	81
Stuco	2,003	9,247	8,778	2,472
Tasmanian	5,825	6,115	7,527	4,413
Tri-M Music Club	10	-	-	10
NFL	784	5,063	3,730	2,117
	<u>31,252</u>	<u>124,781</u>	<u>135,396</u>	<u>20,637</u>
Subtotal Haven High School				
Haven Middle School:				
Stuco	716	1,158	1,112	762
FACS	(18)	105	87	-
Eighth grade	155	312	364	103
Seventh grade	117	107	-	224
Student	123	1,177	1,007	293
	<u>1,093</u>	<u>2,859</u>	<u>2,570</u>	<u>1,382</u>
Subtotal Haven Middle School				

Unified School District Number 312
Haven, Kansas

AGENCY FUNDS (CONT.)

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended June 30, 2011

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organizations (cont.)				
Haven Grade School:				
Band	\$ 1	\$ -	\$ -	\$ 1
Drug education	409	-	27	382
Fundraisers	3,760	8,187	6,898	5,049
Field Trips	(357)	120	120	(357)
Vocal Music	869	559	462	966
Subtotal Haven Grade School	<u>4,682</u>	<u>8,866</u>	<u>7,507</u>	<u>6,041</u>
Partridge Grade School:				
Student	<u>9,027</u>	<u>7,587</u>	<u>7,093</u>	<u>9,521</u>
Subtotal Partridge Grade School	<u>9,027</u>	<u>7,587</u>	<u>7,093</u>	<u>9,521</u>
Yoder Grade School:				
Classroom activity	2,876	10,480	6,615	6,741
Boxtops 4 education	1,040	626	727	939
Accelerated reader	86	589	548	127
Subtotal Yoder Grade School	<u>4,002</u>	<u>11,695</u>	<u>7,890</u>	<u>7,807</u>
Pleasantview Academy:				
Student	-	1,382	1,102	280
Box Tops	62	40	-	102
Subtotal Pleasantview Academy	<u>62</u>	<u>1,422</u>	<u>1,102</u>	<u>382</u>
Total Student Organization Funds	<u>50,118</u>	<u>155,828</u>	<u>160,456</u>	<u>45,770</u>
Payroll clearing	-	86,887	86,887	-
Total Agency Funds	<u>\$ 50,118</u>	<u>\$ 242,715</u>	<u>\$ 247,343</u>	<u>\$ 45,770</u>

**Unified School District Number 312
Haven, Kansas**

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL
For the Year Ended June 30, 2011

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Gate Receipts:				
Haven High School	\$ 6,140	\$ 41,787	\$ 41,179	\$ 6,748
Haven Middle School	110	-	-	110
Yoder Grade School	274	240	232	282
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Gate Receipts	\$ 6,524	\$ 42,027	\$ 41,411	\$ 7,140
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
School Projects:				
Haven Grade School - Book fair	\$ 58	\$ 2,866	\$ 2,880	\$ 44
Partridge Grade School	-	42	42	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total School Projects	\$ 58	\$ 2,908	\$ 2,922	\$ 44
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**UNIFIED SCHOOL DISTRICT NUMBER 312
HAVEN, KANSAS**

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 312 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 312, the primary government. There were no component units in the year ended June 30, 2011.

(b) Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements to revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2011, in the amount of \$9,829, \$137,342, and \$1,108 are classified as reimbursed expenses in the General Fund, Supplemental General Fund, and Food Service Fund, respectively. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

(c) Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into two categories: Governmental and Fiduciary. Within each of these two categories there are one or more fund types. The District uses the following fund types:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Special Revenue Funds - Special Revenue Funds are used to account for the collection and disbursement of monies earmarked for a special purpose.

Debt Service Funds - Debt Service Funds are used to account for the servicing of general long-term debt such as general obligation bonds.

FIDUCIARY FUND TYPES

This fund type accounts for assets held by the District as a trustee or agent for others and therefore cannot be used to support the District's own programs.

Private Purpose Trust Funds – These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted account principles and allowing the District to use the statutory basis of accounting.

(e) Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

(f) Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute) and Debt Service Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for this year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Fiduciary Funds and Permanent Funds and the following Special Revenue Funds: Textbook/Student Material Revolving, Title I, Title II-A, Title II-D, Other Federal Funds, Student Scholarship, Student Contest Awards, Gate Receipts and School Projects.

Spending in funds, which are not subject to the legal annual operating budget requirements, is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

2. COMPLIANCE WITH KANSAS STATUTES

In violation of K.S.A. 10-1113 and 10-1121, indebtedness in excess of cash balance was shown at year end in Haven Grade School Field Trips Fund.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities, temporary notes; no fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2011.

3. DEPOSITS AND INVESTMENTS (cont.)

(a) Deposits

At year end, the carrying amount of the District's deposits, including certificates of deposit, was \$785,438 and the bank balance was \$1,598,846. The bank balance was held by three banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$314,212 was covered by federal depository insurance with the remaining covered by FHL Bank Irrevocable Letter of Credit.

(b) Investments

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Municipal Investment Pool. The District held no investments at year end.

4. INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Bilingual Education	K.S.A. 72-6428	\$ 11,234
General	Food Service	K.S.A. 72-6428	14,239
General	Special Education	K.S.A. 72-6428	858,429
General	Vocational Education	K.S.A. 72-6428	51,968
General	At Risk (K-12)	K.S.A. 72-6428	561,810
General	At Risk (4 Yr Old)	K.S.A. 72-6428	27,559
General	Virtual Education	K.S.A. 72-6428	322,440
Supplemental General	Food Service	K.S.A. 72-6433	48,890
Supplemental General	Special Education	K.S.A. 72-6433	477,710
Supplemental General	Vocational Education	K.S.A. 72-6433	140,387

5. PENSION COSTS AND EMPLOYEE BENEFITS

Defined Benefit Pension Plan

Plan Description. The District contributes to Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-228-0366.

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009 were \$188,864,352 received as of June 30, 2011, (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), \$140,318,395 received as of June 30, 2010, (with the remaining balance due from the state of \$108,149,792, received by July 9, 2010), and \$242,277,363, respectively, equal to the statutory required contributions for each year.

6. EARLY RETIREMENT INCENTIVE

The District provides an early retirement program for certain eligible employees. Employees are eligible if they are currently a full time employee, not less than sixty (60) years of age and not more than sixty-four (64) years of age on or before June 30, or is eligible for and receiving KPERs benefits and must have fifteen (15) or more consecutive years of full-time employment with the District.

The early retirement benefit payment schedule shall be as agreed upon between the retiree and the District but in no case more often than the regular monthly pay period for other employees. The benefit amount is computed at a specified percentage per year of the final base salary. Final base salary is defined as that amount determined by placement on the most current teacher salary schedule minus supplemental pay. The amount of benefit and the term of benefit paid shall be by the following schedule:

Consecutive Years in USD #312	Percent of Base	Term of Payments (Years)
15	10%	5
20	12%	7
25	14%	9
30	16%	11

Payments to retired employees under this plan were \$113,389 for the year ended June 30, 2011.

7. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2011, were as follows:

Issue	Interest Rates	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:								
Refunding Bonds								
- 2004 Series	2.00% to 2.60%	\$ 1,465,000	10-01-10	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 3,900
- 2009 Series	2.00% to 2.60%	2,945,000	10-01-19	2,945,000	-	290,000	2,655,000	80,365
Certificates of Participation:								
- 2008 Series	3.25% to 4.75%	3,630,000	09-01-28	3,630,000	-	85,000	3,545,000	154,171
Capital Leases:								
OCE Lease - Copiers	4.65%	138,007	05-18-12	56,714	-	28,961	27,753	2,023
Copier Lease	11.77%	3,152	09-01-12	-	3,152	1,055	2,097	304
Computer Equipment	7.04%	117,535	01-15-12	70,570	-	34,047	36,523	5,131
First National Bank - Buses	3.95%	40,600	01-23-12	27,068	-	13,272	13,796	1,069
First National Bank - Buses	3.95%	40,600	01-23-12	27,068	-	13,272	13,796	1,069
First National Bank - Buses	3.95%	335,254	01-23-13	248,216	-	79,555	168,661	9,805
Total Long-Term Debt				\$ 7,304,636	\$ 3,152	\$ 845,162	\$ 6,462,626	\$ 257,837

7. LONG-TERM DEBT (cont.)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year								Total
	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2030	
Principal:									
Refunding Bonds - Series 2009	\$ 260,000	\$ 265,000	\$ 275,000	\$ 285,000	\$ 290,000	\$ 1,280,000	\$ -	\$ -	\$ 2,655,000
Certificates of Participation	85,000	90,000	150,000	155,000	165,000	920,000	1,150,000	830,000	3,545,000
Capital Lease - Copier	27,753	-	-	-	-	-	-	-	27,753
Capital Lease - Copiers	1,653	444	-	-	-	-	-	-	2,097
Capital Lease - Computer Equipment	36,523	-	-	-	-	-	-	-	36,523
Capital Lease - Buses	13,796	-	-	-	-	-	-	-	13,796
Capital Lease - Buses	13,796	-	-	-	-	-	-	-	13,796
Capital Lease - Buses	82,697	85,964	-	-	-	-	-	-	168,661
Total Principal	521,218	441,408	425,000	440,000	455,000	2,200,000	1,150,000	830,000	6,462,626
Interest:									
Refunding Bonds - Series 2009	74,865	69,615	63,871	56,859	48,590	92,790	-	-	406,590
Certificates of Participation	151,345	148,381	144,237	138,823	132,939	558,943	335,477	60,325	1,670,470
Capital Lease - Copiers	649	-	-	-	-	-	-	-	649
Capital Lease - Copier	159	9	-	-	-	-	-	-	168
Capital Lease - Computer Equipment	2,655	-	-	-	-	-	-	-	2,655
Capital Lease - Buses	545	-	-	-	-	-	-	-	545
Capital Lease - Buses	545	-	-	-	-	-	-	-	545
Capital Lease - Buses	6,662	3,396	-	-	-	-	-	-	10,058
Total Interest	237,425	221,401	208,108	195,682	181,529	651,733	335,477	60,325	2,091,680
Total Principal and Interest	\$ 758,643	\$ 662,809	\$ 633,108	\$ 635,682	\$ 636,529	\$ 2,851,733	\$ 1,485,477	\$ 890,325	\$ 8,554,306

8. CERTIFICATES OF PARTICIPATION

During the year ended June 30, 2008, the District entered into a lease purchase agreement to acquire, construct and install energy conservation measures in certain District facilities. The Project was financed by Unified School District Number 312, Reno County, Kansas, which entered into a Lease Purchase Agreement with Security Bank of Kansas City, Kansas City, Kansas, (lessor and trustee), providing for Costs of improvements, including Costs of Issuance. Funds for improvements were raised by the lessor by issuance of Certificates of Participation in the amount of \$3,630,000. As part of this financing structure, the bank will pay from the project fund upon receipt of a completed requisition certificate signed by the District, costs and expenses of every nature incurred in the construction of the Improvements that qualify as Costs of Improvements. Rentals payable under the Lease Purchase Agreement will be adequate to pay the owners of the Certificates of Participation their original investment plus interest. This lease had an initial lease term of 20 years; however, the lease may be terminated earlier on full payment of the Certificates of Participation.

The original term of this lease began on January 1, 2008, to be terminated on the earliest of:

- (a) September 1, 2018,
- (b) Exercise of the purchase option,
- (c) Payment of all basic and additional rental payments, or
- (d) Occurrence of (b) or (c) and retirement of certificates.

8. CERTIFICATES OF PARTICIPATION (cont.)

In consideration for this agreement, the District agreed to pay an amount equal to the sum of the scheduled "basic rental payments", shown in the schedule of current maturities of long-term debt. The basic rental payments are payable semi-annually on September 1 and March 1 of each year with the initial rental payment due March 1, 2009.

9. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the District to record any payment of general state aid that is due to be paid during the month of June and is paid to the District after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these Statutes.

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET For the Year Ended June 30, 2011

GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 10,229	\$ 13,343	\$ (3,114)
Current Year	1,021,865	994,489	27,376
Delinquent Tax	19,600	9,992	9,608
Mineral Production Tax	4,951	-	4,951
State Aid	4,760,511	5,012,646	(252,135)
Special Education State Aid	858,429	1,022,155	(163,726)
Federal Aid - ARRA	121,643	121,643	-
Federal Aid - Education Jobs	212,996	-	212,996
Miscellaneous Reimbursements	9,829	-	9,829
	<u>7,020,053</u>	<u>\$ 7,174,268</u>	<u>\$ (154,215)</u>
Expenditures			
Instruction	3,460,932	\$ 3,221,635	\$ (239,297)
Student Support Services	116,882	120,415	3,533
Instructional Support Staff	167,659	119,691	(47,968)
General Administration	181,330	171,611	(9,719)
School Administration	504,526	668,352	163,826
Operations & Maintenance	358,813	406,784	47,971
Vehicle Operating Services	210,277	224,200	13,923
Vehicle & Maintenance Services	64,290	60,760	(3,530)
Other Supplemental Service	107,663	115,271	7,608
Outgoing Transfers	1,847,679	2,065,539	217,860
Adjustment to Comply with legal max	-	(164,036)	(164,036)
	<u>7,020,051</u>	<u>7,010,222</u>	<u>(9,829)</u>
Legal General Fund Budget	7,020,051	7,010,222	(9,829)
Adjustment for qualifying budget credits	-	9,829	9,829
	<u>7,020,051</u>	<u>\$ 7,020,051</u>	<u>\$ -</u>
Total Expenditures	<u>7,020,051</u>	<u>\$ 7,020,051</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	2		
Modified Unencumbered Cash, June 30, 2010	<u>1</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 3</u>		

9. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A 72-6434(d) (cont.)

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 13,765	\$ 20,241	\$ (6,476)
Current Year	1,164,421	1,100,576	63,845
Delinquent Tax	25,666	12,048	13,618
Motor Vehicle Tax	128,162	145,209	(17,047)
Recreational Vehicle Tax	1,987	2,730	(743)
State Aid	946,787	949,884	(3,097)
Miscellaneous Reimbursements	<u>137,342</u>	<u>-</u>	<u>137,342</u>
Total Statutory Revenues	<u>2,418,130</u>	<u>\$ 2,230,688</u>	<u>\$ 187,442</u>
Expenditures			
Instruction	658,663	\$ 743,855	\$ 85,192
Instructional Support Staff	360	3,250	2,890
School Administration	130,095	70,000	(60,095)
Operations & Maintenance	793,163	647,518	(145,645)
Student Transportation Services	197,362	243,300	45,938
Outgoing Transfers	<u>666,987</u>	<u>601,365</u>	<u>(65,622)</u>
Legal Supplemental General Fund Budget	2,446,630	2,309,288	(137,342)
Adjustment for qualifying budget credits	<u>-</u>	<u>137,342</u>	<u>137,342</u>
Total Expenditures	<u>2,446,630</u>	<u>\$ 2,446,630</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	(28,500)		
Modified Unencumbered Cash, June 30, 2010	<u>78,600</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 50,100</u>		

10. LEAVE POLICIES

Compensated vacation absences are recorded as expenditures in Governmental Funds when they are paid.

Sick leave benefits and other compensated absences for Governmental Funds are not accrued in the financial statements because they do not vest. When an employee leaves the District they do not receive any compensation for unused sick leave.

11. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

12. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of September 30, 2011, grant expenditures have not been audited, but the District believes disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation, the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material impact on the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2010 to 2011, and there were no settlements that exceeded insurance coverage in the past three years.

13. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through September 30, 2011 which is the date at which the financial statements were available to be issued.

In July, 2011, this District received \$181,906 in reimbursements from EMC Insurance for extensive hail damage throughout the District. This claim has not been settled in total as of September 30, 2011.

**UNIFIED SCHOOL DISTRICT NUMBER 312
HAVEN, KANSAS**

OTHER SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2011

**Unified School District Number 312
Haven, Kansas**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Identifying Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture - Cluster</u>			
Passed Through State Department of Education			
School Breakfast Program	10.553	DO312	\$ 33,387
National School Lunch Program	10.555	DO312	196,399
Child Nutrition Discretionary Grants Limited Availability	10.579	DO312	<u>9,265</u>
Total U.S. Department of Agriculture			<u>239,051</u>
<u>U.S. Department of Education</u>			
Passed Through State Department of Education			
Title I Grants to Local Educational Agencies	84.010	DO312	180,760
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	DO312	48,269
Title II-A Improving Teacher Quality	84.367	DO312	58,650
Title II-D Education Technology	84.318	DO312	612
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	DO312	121,643
Education Jobs Funds	84.410	DO312	212,996
Passed Through Hutchinson Public Schools USD 308			
Carl Perkins	84.048		<u>3,446</u>
Total U.S. Department of Education			<u>626,376</u>
Total Expenditures of Federal Awards			<u>\$ 865,427</u>

Note 1 - Basis of Presentation

The above schedule of expenditures of federal awards includes the federal grant activity of Unified School District Number 312, Haven, Kansas, and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule.

**UNIFIED SCHOOL DISTRICT NUMBER 312
HAVEN, KANSAS**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2011**

There were no reportable findings for the year ended June 30, 2010.

UNIFIED SCHOOL DISTRICT NUMBER 312
HAVEN, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Unified School District Number 312.
2. Significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Unified School District Number 312, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs expressed an unqualified opinion.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs include:

	<u>CFDA No.</u>
ARRA - State Fiscal Stabilization Fund – Education State Grants, Recovery Act	84.394
Title I, Part A Cluster - Title I, Part A	84.010
ARRA – Title I, Part A	84.389
Education Jobs Fund	84.010

8. The threshold for distinguishing Types A and B program was \$300,000.
9. Unified School District Number 312 was not a low-risk auditee.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

Number 11-01 Lack of Segregation of Duties

Condition: Appropriate segregation of duties is achieved when one or more employees or functions acts as a check and balance on the activities of another so that no employee should be in a position to both commit an irregularity and conceal it.

Number 11-01 Lack of Segregation of Duties (cont.)

Due to resource constraints, these conflicting phases of transactions potentially occur throughout your entity at various times throughout the fiscal year. We considered this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

Criteria: The segregation of incompatible duties means that no employee should be in a position to both commit an irregularity and conceal it. An Elected Official's Guide to Internal Controls and Fraud Prevention states that "ideally, no single individual should be able to:

- a) *authorize* a transaction;
- b) *record* the transaction in the books of account; and
- c) *ensure custody of the asset resulting from the transaction.*"

In a smaller entity setting, it is very difficult to maintain ideal segregation of duties. We consider this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

Effect: Lack of segregation of duties aids in the possibility that errors and irregularities whether caused by fraud or human error will not be detected.

Cause: Due to the limited staff in the District, segregation of duties has not been possible as required in an ideal internal control structure. At this time, we feel it would be cost prohibitive to increase staff in the District offices sufficiently to rectify this situation. Current office staff and the Board should however, continually review the opportunity to implement segregation of duties that will enhance the internal control structure at a minimal cost to the District.

Recommendation: We recommend that the office staff continually review their procedures for opportunities to increase the segregation of duties in the office as well as the overall internal controls and oversight over the accounting functions in the office. We recommend the Board be aware of the importance of segregating the office duties in order to maintain a good internal control structure that will aid in the prevention and detection of errors and irregularities whether caused by fraud or human error.

Within the constraints of available resources, management should attempt to logically segregate duties among people or processes to mitigate risks and meet their financial reporting objectives.

Number 11-02 Financial Statement Reporting

Condition: Our firm has been asked to prepare the financial statements for the District; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statements.

Criteria: The District prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide (KMAG)*.

Number 11-02 Financial Statement Reporting (cont.)

Effect: We consider this condition related to external financial statement and other supplemental information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants

Cause: District personnel do have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. However, the District either has no documented policy or procedures related to the preparation of the external financial statements and other supplemental information and/or the policies and procedures are not implemented and adequately followed to ensure the accuracy and completeness of the external financial statements and other supplemental information.

Recommendation: To strengthen internal control over financial statement preparation, we recommend:

- a) Obtain a current copy of the Kansas Municipal Audit Guide (KMAG);
- b) Obtain a report check list for KMAG financial statements;
- c) Participate in a training session on financial statement preparation and review; and
- d) Adopt a policy that annual financial statements will be reviewed prior to being subjected to audit.

C. FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. DEPARTMENT OF EDUCATION

ARRA – State Stabilization Fund – Education State Grants, Recovery Act – CFDA Number 84.394

NONE

Title I Low Income Program – CFDA Number 84.010

ARRA – Title I, Part A Cluster – CFDA Number 84.389

NONE

Education Jobs Fund – CFDA Number 84.410

NONE