

**SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
SOUTH HAVEN, KANSAS**

**FINANCIAL STATEMENTS
JUNE 30, 2011**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
South Haven Unified School District No. 509
South Haven, Kansas**

We have audited the accompanying financial statements of **South Haven Unified School District No. 509, South Haven, Kansas**, as of and for the year ended **June 30, 2011**, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative financial information has been derived from the District's 2010 financial statements and, in our report dated November 2, 2010, we expressed an unqualified opinion that the financial statements were fairly presented in accordance with the cash basis and budget laws of the State of Kansas.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and guidance 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.

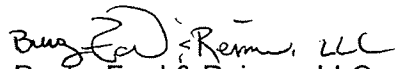
As described more fully in Note 1, **South Haven Unified School District No. 509, South Haven, Kansas**, has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect 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 **South Haven Unified School District No. 509, South Haven, Kansas**, as of **June 30, 2011**, or the changes in its financial position for the year then ended.

**Board of Education
South Haven Unified School District No. 509**

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of **South Haven Unified School District No. 509, South Haven, Kansas**, 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.

Our audit was performed for the purpose of forming an opinion on the financial statements of **South Haven Unified School District No. 509, South Haven, Kansas**, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


Busby Ford & Reimer, LLC
November 4, 2011

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning	Prior Year	Cash Receipts	Expenditures	Ending	Add	Ending Cash
	Unencumbered	Canceled					
	Cash Balance	Encumbrances	Cash Balance	Cash Balance	Cash Balance	Encumbrances and Accounts Payable	Balance
General Fund	\$ (144,288)	\$ 0	\$ 2,128,741	\$ 2,104,799	\$ (120,346)	\$ 4,433	\$ (115,913)
Special Revenue Funds							
Supplemental General	(40,630)	0	719,974	680,523	(1,179)	0	(1,179)
At Risk (4 Year Old)	19,550	0	44,828	64,378	0	0	0
At Risk (K-12)	0	0	98,000	98,000	0	0	0
Capital Outlay	41,953	0	102,447	55,274	89,126	0	89,126
Driver Training	10,570	0	0	0	10,570	0	10,570
Food Service	19,198	0	136,979	128,036	28,141	0	28,141
Professional Development	0	0	2,947	2,722	225	0	225
Parent Education Program	6,384	0	67,780	96,508	(22,344)	565	(21,779)
Special Education	115,545	0	398,924	397,498	116,971	0	116,971
Vocational Education	3,672	0	172,317	175,989	0	459	459
KPERS Contribution	0	0	159,487	159,487	0	0	0
Federal Funds	(25,765)	0	77,407	57,983	(6,341)	2,542	(3,799)
Gifts and Grants	950	0	0	950	0	0	0
Contingency Reserve	96,403	0	0	0	96,403	0	96,403
Textbook and Student Material							
Revolving	9,664	0	4,446	0	14,110	0	14,110
Special Improvement	987	0	3,126	0	4,113	0	4,113
District Activity Funds	12,115	0	21,362	25,786	7,691	0	7,691
Debt Service Fund							
Bond and Interest	86,712	0	176,840	182,679	80,873	0	80,873
	<u>\$ 213,020</u>	<u>\$ 0</u>	<u>\$ 4,315,605</u>	<u>\$ 4,230,612</u>	<u>\$ 298,013</u>	<u>\$ 7,999</u>	<u>\$ 306,012</u>

Composition of Cash:	
Checking Accounts	\$ (279,630)
Money Market Account	278,370
Certificates of Deposit	<u>328,222</u>
	326,962
Agency Funds	<u>(20,950)</u>
	<u>\$ 306,012</u>

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

**SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011**

Fund	Certified Budget	Adjustment to		Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
		Comply with Legal Max	Legal Max	Qualifying Budget Credits	Qualifying Budget Credits			
General Fund	\$ 2,049,330	\$ (72,956)	\$ 128,425	\$ 2,104,799	\$ 2,104,799	\$ 2,104,799	\$ 0	
Special Revenue Funds								
Supplemental General	675,499	(5,984)	11,008	680,523	680,523	680,523	0	
At Risk (4 Year Old)	59,550	0	4,828	64,378	64,378	64,378	0	
At Risk (K-12)	98,000	0	0	98,000	98,000	98,000	0	
Capital Outlay	55,000	0	800	55,800	55,274	55,274	526	
Driver Training	11,550	0	0	11,550	0	0	11,550	
Food Service	161,906	0	0	161,906	128,036	128,036	33,870	
Professional Development	10,500	0	0	10,500	2,722	2,722	7,778	
Parent Education Program	97,251	0	0	97,251	96,508	96,508	743	
Special Education	421,970	0	0	421,970	397,498	397,498	24,472	
Vocational Education	171,672	0	4,407	176,079	175,989	175,989	90	
KPERS Contribution	128,270	0	0	128,270	159,487	159,487	(31,217)	
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	57,983	57,983	XXXXXXXXXX	
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	950	950	XXXXXXXXXX	
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	0	XXXXXXXXXX	
Textbook and Student Material	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	0	XXXXXXXXXX	
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	0	XXXXXXXXXX	
Special Improvement	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	0	XXXXXXXXXX	
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	25,786	25,786	XXXXXXXXXX	
Debt Service Fund	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX			XXXXXXXXXX	
Bond and Interest	182,679	0	0	182,679	182,679	182,679	0	
	<u>\$ 4,123,177</u>	<u>\$ (78,940)</u>	<u>\$ 149,468</u>	<u>\$ 4,193,705</u>	<u>\$ 4,230,612</u>	<u>\$ 4,230,612</u>	<u>\$ 47,812</u>	

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>General Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 235,211	\$ 294,699	\$ 158,943	\$ 135,756
State Sources	1,835,810	1,736,269	1,849,416	(113,147)
Federal Sources	96,823	97,773	35,541	62,232
	<u>2,167,844</u>	<u>2,128,741</u>	<u>\$ 2,043,900</u>	<u>\$ 84,841</u>
Expenditures				
Instruction	542,322	424,636	\$ 414,302	\$ (10,334)
Student Support Services	78,618	81,122	86,442	5,320
Instructional Support Staff	40,358	44,965	43,300	(1,665)
General Administration	182,473	132,834	185,069	52,235
School Administration	86,841	141,337	96,450	(44,887)
Operations & Maintenance	255,849	342,096	368,218	26,122
Student Transportation Services	105,604	159,667	212,624	52,957
Transfers	822,309	778,142	642,925	(135,217)
Adjustment to Comply with Legal Max	0	0	(72,956)	(72,956)
Adjustment for Qualifying Budget Credits	0	0	128,425	128,425
	<u>2,114,374</u>	<u>2,104,799</u>	<u>\$ 2,104,799</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	53,470	23,942		
Unencumbered Cash, Beginning	(197,810)	(144,288)		
Prior Year Canceled Encumbrances	<u>52</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ (144,288)</u>	<u>\$ (120,346)</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 282,119	\$ 273,694	\$ 236,775	\$ 36,919
County Sources	13,332	21,722	27,906	(6,184)
State Sources	214,010	424,558	388,474	36,084
Federal Sources	81,450	0	0	0
	<u>590,911</u>	<u>719,974</u>	<u>\$ 653,155</u>	<u>\$ 66,819</u>
Expenditures				
Instruction	549,524	680,523	\$ 675,499	\$ (5,024)
General Administration	2,142	0	0	0
Operations & Maintenance	48,334	0	0	0
Adjustment to Comply with Legal Max	0	0	(5,984)	(5,984)
Adjustment for Qualifying Budget Credits	0	0	11,008	11,008
	<u>600,000</u>	<u>680,523</u>	<u>\$ 680,523</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(9,089)	39,451		
Unencumbered Cash, Beginning	(31,541)	(40,630)		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ (40,630)</u>	<u>\$ (1,179)</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>At Risk Fund (4 Year Old)</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 12,499	\$ 0	\$ 12,499
Transfers	48,000	32,329	40,000	(7,671)
	48,000	44,828	\$ 40,000	\$ 4,828
Expenditures				
Instruction	27,643	55,148	\$ 52,450	\$ (2,698)
Student Transportation Services	3,908	9,230	7,100	(2,130)
Adjustment for Qualifying Budget Credits	0	0	4,828	4,828
	31,551	64,378	\$ 64,378	\$ 0
Receipts Over (Under) Expenditures	16,449	(19,550)		
Unencumbered Cash, Beginning	3,101	19,550		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 19,550	\$ 0		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>At Risk Fund (K-12)</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Transfers	\$ 98,000	\$ 98,000	\$ 98,000	\$ 0
	98,000	98,000	\$ 98,000	\$ 0
Expenditures				
Instruction	97,804	98,000	\$ 98,000	\$ 0
Instructional Support Staff	196	0	0	0
	98,000	98,000	\$ 98,000	\$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 0	\$ 0		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Capital Outlay Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 31,795	\$ 52,447	\$ 41,915	\$ 10,532
Transfers	<u>54,432</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>
	<u>86,227</u>	<u>102,447</u>	<u>\$ 41,915</u>	<u>\$ 60,532</u>
 Expenditures				
Instruction	9,416	6,134	\$ 0	\$ (6,134)
Operations & Maintenance	6,124	12,179	30,000	17,821
Facility Acquisition & Construction				
Services	52,888	36,961	25,000	(11,961)
Adjustment for Qualifying Budget				
Credits	<u>0</u>	<u>0</u>	<u>800</u>	<u>800</u>
	<u>68,428</u>	<u>55,274</u>	<u>\$ 55,800</u>	<u>\$ 526</u>
 Receipts Over (Under) Expenditures	17,799	47,173		
 Unencumbered Cash, Beginning	24,154	41,953		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 41,953</u>	<u>\$ 89,126</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Driver Training Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
State Sources	\$ 800	\$ 0	\$ 980	\$ (980)
	<u>800</u>	<u>0</u>	<u>980</u>	<u>(980)</u>
Expenditures				
Instruction	0	0	\$ 2,700	\$ 2,700
Vehicle Operations, Maintenance Services	132	0	8,850	8,850
	<u>132</u>	<u>0</u>	<u>\$ 11,550</u>	<u>\$ 11,550</u>
Receipts Over (Under) Expenditures	668	0		
Unencumbered Cash, Beginning	9,902	10,570		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 10,570</u>	<u>\$ 10,570</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Food Service Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 59,708	\$ 54,513	\$ 52,913	\$ 1,600
State Sources	1,275	1,211	1,247	(36)
Federal Sources	55,030	53,223	58,548	(5,325)
Transfers	38,541	28,032	30,000	(1,968)
	<u>154,554</u>	<u>136,979</u>	<u>\$ 142,708</u>	<u>\$ (5,729)</u>
Expenditures				
Operations & Maintenance	194	200	\$ 200	\$ 0
Food Service Operations	136,496	127,836	161,706	33,870
	<u>136,690</u>	<u>128,036</u>	<u>\$ 161,906</u>	<u>\$ 33,870</u>
Receipts Over (Under) Expenditures	17,864	8,943		
Unencumbered Cash, Beginning	1,334	19,198		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 19,198</u>	<u>\$ 28,141</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Professional Development Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
State Sources	\$ 1,273	\$ 0	\$ 0	\$ 0
Transfers	<u>0</u>	<u>2,947</u>	<u>10,500</u>	<u>(7,553)</u>
	<u>1,273</u>	<u>2,947</u>	<u>\$ 10,500</u>	<u>\$ (7,553)</u>
Expenditures				
Instructional Support Staff	<u>1,273</u>	<u>2,722</u>	<u>\$ 10,500</u>	<u>\$ 7,778</u>
	<u>1,273</u>	<u>2,722</u>	<u>\$ 10,500</u>	<u>\$ 7,778</u>
Receipts Over (Under) Expenditures	0	225		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 225</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Parent Education Program Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 44,695	\$ 38,310	\$ 31,927	\$ 6,383
State Sources	<u>73,675</u>	<u>29,470</u>	<u>58,940</u>	<u>(29,470)</u>
	<u>118,370</u>	<u>67,780</u>	<u>\$ 90,867</u>	<u>\$ (23,087)</u>
Expenditures				
Student Support Services	95,316	95,285	\$ 97,251	\$ 1,966
General Administration	<u>1,935</u>	<u>1,223</u>	<u>0</u>	<u>(1,223)</u>
	<u>97,251</u>	<u>96,508</u>	<u>\$ 97,251</u>	<u>\$ 743</u>
Receipts Over (Under) Expenditures	21,119	(28,728)		
Unencumbered Cash, Beginning	(14,735)	6,384		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 6,384</u>	<u>\$ (22,344)</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Special Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 10,000	\$ (10,000)
Transfers	<u>415,336</u>	<u>398,924</u>	<u>296,425</u>	<u>102,499</u>
	<u>415,336</u>	<u>398,924</u>	<u>\$ 306,425</u>	<u>\$ 92,499</u>
 Expenditures				
Instruction	<u>379,104</u>	<u>397,498</u>	<u>\$ 421,970</u>	<u>\$ 24,472</u>
	<u>379,104</u>	<u>397,498</u>	<u>\$ 421,970</u>	<u>\$ 24,472</u>
 Receipts Over (Under) Expenditures	36,232	1,426		
 Unencumbered Cash, Beginning	79,313	115,545		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 115,545</u>	<u>\$ 116,971</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Vocational Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 0	\$ 4,407	\$ 0	\$ 4,407
Transfers	<u>168,000</u>	<u>167,910</u>	<u>168,000</u>	<u>(90)</u>
	<u>168,000</u>	<u>172,317</u>	<u>\$ 168,000</u>	<u>\$ 4,317</u>
Expenditures				
Instruction	164,328	175,989	\$ 171,672	\$ (4,317)
Adjustment for Qualifying Budget				
Credits	<u>0</u>	<u>0</u>	<u>4,407</u>	<u>4,407</u>
	<u>164,328</u>	<u>175,989</u>	<u>\$ 176,079</u>	<u>\$ 90</u>
Receipts Over (Under) Expenditures	3,672	(3,672)		
Unencumbered Cash, Beginning	0	3,672		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,672</u>	<u>\$ 0</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>KPERS Contribution Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 56,487	\$ 159,487	\$ 128,270	\$ 31,217
	56,487	159,487	\$ 128,270	\$ 31,217
Expenditures				
Instruction	33,574	95,339	\$ 76,474	\$ (18,865)
Student Support Services	5,905	16,244	13,527	(2,717)
General Administration	3,225	9,392	7,418	(1,974)
School Administration	5,260	14,531	11,873	(2,658)
Operations and Maintenance	3,225	9,392	7,411	(1,981)
Student Transportation Services	2,288	6,477	5,255	(1,222)
Food Service	3,010	8,112	6,312	(1,800)
	56,487	159,487	\$ 128,270	\$ (31,217)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 0	\$ 0		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Bond and Interest Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 63,529	\$ 89,581	\$ 84,906	\$ 4,675
County Sources	11,165	8,370	12,282	(3,912)
State Sources	<u>61,991</u>	<u>78,889</u>	<u>82,206</u>	<u>(3,317)</u>
	<u>136,685</u>	<u>176,840</u>	<u>\$ 179,394</u>	<u>\$ (2,554)</u>
 Expenditures				
Debt Service	<u>180,898</u>	<u>182,679</u>	<u>\$ 182,679</u>	<u>\$ 0</u>
	<u>180,898</u>	<u>182,679</u>	<u>\$ 182,679</u>	<u>\$ 0</u>
 Receipts Over (Under) Expenditures	(44,213)	(5,839)		
 Unencumbered Cash, Beginning	130,925	86,712		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 86,712</u>	<u>\$ 80,873</u>		

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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>Federal Funds</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 100,634	\$ 77,407
	100,634	77,407
 Expenditures		
Instruction	104,975	52,952
Instructional Support Staff	0	5,031
	104,975	57,983
 Receipts Over (Under) Expenditures	(4,341)	19,424
 Unencumbered Cash, Beginning	(21,424)	(25,765)
 Prior Year Canceled Encumbrances	0	0
 Unencumbered Cash, Ending	\$ (25,765)	\$ (6,341)

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

**SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
 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)**

Gifts and Grants Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources	\$ 950	\$ 0
	<u>950</u>	<u>0</u>
 Expenditures		
Instruction	<u>0</u>	<u>950</u>
	<u>0</u>	<u>950</u>
 Receipts Over (Under) Expenditures	 950	 (950)
 Unencumbered Cash, Beginning	 0	 950
 Prior Year Canceled Encumbrances	 <u>0</u>	 <u>0</u>
 Unencumbered Cash, Ending	 <u>\$ 950</u>	 <u>\$ 0</u>

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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)

Contingency Reserve Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	96,403	96,403
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 96,403</u>	<u>\$ 96,403</u>

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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)

Textbook and Student Material Revolving Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources	\$ 4,440	\$ 4,446
	<u>4,440</u>	<u>4,446</u>
 Expenditures		
Instruction	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
 Receipts Over (Under) Expenditures	 4,440	 4,446
Unencumbered Cash, Beginning	5,224	9,664
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 9,664</u>	<u>\$ 14,110</u>

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

**SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
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)**

Special Improvement Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources	\$ 2,750	\$ 3,126
	<u>2,750</u>	<u>3,126</u>
 Expenditures		
Operations & Maintenance	<u>4,055</u>	<u>0</u>
	<u>4,055</u>	<u>0</u>
 Receipts Over (Under) Expenditures	(1,305)	3,126
 Unencumbered Cash, Beginning	2,292	987
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	<u>\$ 987</u>	<u>\$ 4,113</u>

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Music	\$ 1,614	\$ 1,883	\$ 982	\$ 2,515
Band	334	1,972	2,058	248
Stuco	553	4,295	4,496	352
Library	1,672	0	0	1,672
Journalism	205	18	0	223
Pep Club	16	5,298	4,300	1,014
JH Cheerleaders	15	2,414	1,970	459
JH Scholars Bowl	76	0	0	76
HS Scholars Bowl	9	0	0	9
FFA	1,636	32,384	34,008	12
Tyson Scholarship	2,109	0	0	2,109
FCCLA	170	955	794	331
FCA	431	50	0	481
NHS	10	15	0	25
Science Club	198	518	0	716
Class of 2010	398	0	398	0
Class of 2011	519	15,132	14,934	717
Class of 2012	1,621	5,707	3,906	3,422
Class of 2013	1,302	1,548	287	2,563
Class of 2014	776	284	0	1,060
Class of 2015	85	946	471	560
Class of 2016	0	4,303	2,462	1,841
Cardinal Construction	28	0	0	28
The Nest	676	6,554	6,713	517
Total Agency Funds	\$ 14,453	\$ 84,276	\$ 77,779	\$ 20,950

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance		Prior Year Canceled Encumbrances		Cash Receipts	Expenditures	Ending Unencumbered Cash Balance		Add	
	Cash Balance	Unencumbered	Encumbrances	Canceled			Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance	
High School										
Gate Receipts	\$ 7,316	\$	0	0	\$ 20,498	\$ 24,212	\$ 3,602	\$	0	\$ 3,602
School Projects	1,694		0		864	62	2,496		0	2,496
Food Service Contribution	2,905		0		0	1,512	1,393		0	1,393
Scholarship	200		0		0	0	200		0	200
Total District Activity Funds	\$ 12,115	\$	0	0	\$ 21,362	\$ 25,786	\$ 7,691	\$	0	\$ 7,691

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

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

South Haven Unified School District No. 509 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around South Haven, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statements include all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The District has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

The following types of funds comprise the financial activities of the District for the year:

Governmental Funds

General Fund-To account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

Agency Funds-To account for resources held by the District as an agent for others.

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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. 75-110a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the statutory basis of accounting.

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, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue, 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 accounting principles generally accepted in the United States of America. General fixed 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, temporary notes, and compensated absences are not presented in the financial statements.

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. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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 no amendments for the year ended June 30, 2011.

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds:

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook and Student Material Revolving Fund
Special Improvement Fund	District Activity Funds

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

Note 2 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 3 - On-Behalf Payments for Fringe Benefits and Salaries:

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERs) on behalf of the District's employees. For the year ended June 30, 2011, the State made contributions of \$100,481. These contributions are recorded in the KPERs Contribution Fund as receipts and expenditures.

Note 4 - Prior Year Balances:

Certain prior year balances are presented for comparison purposes. Certain items have been reclassified in the June 30, 2010, financial statements in order to conform to the June 30, 2011, presentation.

**SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 5 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the Government. 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 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 Government 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 its 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 – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may 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, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$326,962 and the bank balance was \$641,791. The bank balance is held by two banks. Of the bank balance, \$256,363 was covered by depository insurance, and the remaining \$385,428 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Note 6 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:							Total
	At Risk (4 Year Old)	At Risk (K-12)	Capital Outlay	Food Service	Professional Development	Special Education	Vocational Education	
Transfer from: General Fund	\$ 32,329	\$ 98,000	\$ 50,000	\$ 28,032	\$ 2,947	\$ 398,924	\$ 167,910	\$ 778,142

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 7 - Postemployment 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 local government 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 government 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 government under this program.

The District sponsors an early retirement plan which provides health insurance benefits to eligible former employees. Employees eligible for KPERS retirement between the ages of 55 and 65 with at least fifteen year of consecutive employment at the District are eligible to participate. The plan provides \$2,400 towards participation in the District's health insurance coverage for those electing to participate.

It is the policy of the District to record retirement benefits as expenditures when paid. During the year the District paid \$12,000 for postemployment benefits for five former employees.

Note 8 - Defined Benefit Pension Plan:

Plan Description

The District participates in the 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 Ave., Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at a minimum of 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 contributed 9.17% of covered payroll for the year ended June 30, 2011. 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 \$253,834,044, \$248,468,186 and \$242,277,363 respectively, equal to the required contributions for each year.

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 9 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

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 carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Note 10 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Note 11 - Subsequent Events:

The District has evaluated subsequent events through November 4, 2011, the date which the financial statements were available to be issued.

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 12 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due monthly.

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds 2004 Series	2.25 - 4.20	4/1/04	1,865,000	9/1/20
Capital Leases HVAC Equipment	5.00	9/10/07	191,000	7/1/14

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds 2004 Series	\$ 1,625,000	\$ 0	\$ 125,000	\$ 1,500,000	\$ 57,679
	<u>1,625,000</u>	<u>0</u>	<u>125,000</u>	<u>1,500,000</u>	<u>57,679</u>
Lease Purchase HVAC Equipment	116,018	0	26,921	89,097	5,801
	<u>116,018</u>	<u>0</u>	<u>26,921</u>	<u>89,097</u>	<u>5,801</u>
	<u>\$ 1,741,018</u>	<u>\$ 0</u>	<u>\$ 151,921</u>	<u>\$ 1,589,097</u>	<u>\$ 63,480</u>

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Lease Purchase	Total Principal	General Obligation Bonds	Lease Purchase	Total Interest	
	2012	\$ 130,000	\$ 28,255	\$ 158,255	\$ 54,010	\$ 4,467	
2013	130,000	29,679	159,679	49,980	3,042	53,022	212,701
2014	140,000	31,163	171,163	45,555	1,558	47,113	218,276
2015	140,000	0	140,000	40,690	0	40,690	180,690
2016	150,000	0	150,000	35,395	0	35,395	185,395
2017 - 2021	<u>810,000</u>	<u>0</u>	<u>810,000</u>	<u>85,620</u>	<u>0</u>	<u>85,620</u>	<u>895,620</u>
	<u>\$ 1,500,000</u>	<u>\$ 89,097</u>	<u>\$ 1,589,097</u>	<u>\$ 311,250</u>	<u>\$ 9,067</u>	<u>\$ 320,317</u>	<u>\$ 1,909,414</u>

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 13 - 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 school 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 school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes.

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

	<u>General Fund</u>		Variance -
	Statutory		Favorable
	Transactions	Budget	(Unfavorable)
Statutory Revenues			
Local Sources	\$ 294,699	\$ 158,943	\$ 135,756
State Sources	1,707,104	1,849,416	(142,312)
Federal Sources	97,773	35,541	62,232
	<u>2,099,576</u>	<u>\$ 2,043,900</u>	<u>\$ 55,676</u>
 Expenditures			
Instruction	424,636	\$ 414,302	\$ (10,334)
Student Support Services	81,122	86,442	5,320
Instructional Support Staff	44,965	43,300	(1,665)
General Administration	132,834	185,069	52,235
School Administration	141,337	96,450	(44,887)
Operations & Maintenance	342,096	368,218	26,122
Student Transportation Services	159,667	212,624	52,957
Transfers	778,142	642,925	(135,217)
Adjustment to Comply with Legal Max	0	(72,956)	(72,956)
Adjustment for Qualifying Budget Credits	0	128,425	128,425
	<u>2,104,799</u>	<u>\$ 2,104,799</u>	<u>\$ 0</u>
 Receipts Over (Under) Expenditures	(5,223)		
 Modified Unencumbered Cash, Beginning	5,430		
 Prior Year Canceled Encumbrances	0		
 Modified Unencumbered Cash, Ending	<u>\$ 207</u>		

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

Supplemental General Fund

	Statutory Transactions	Budget	Variance - Favorable (Unfavorable)
Statutory Revenues			
Local Sources	\$ 273,694	\$ 236,775	\$ 36,919
County Sources	21,722	27,906	(6,184)
State Sources	<u>383,777</u>	<u>388,474</u>	<u>(4,697)</u>
	<u>679,193</u>	<u>\$ 653,155</u>	<u>\$ 26,038</u>
Expenditures			
Instruction	680,523	\$ 675,499	\$ (5,024)
Adjustment to Comply with Legal Max	0	(5,984)	(5,984)
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>11,008</u>	<u>11,008</u>
	<u>680,523</u>	<u>\$ 680,523</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(1,330)		
Modified Unencumbered Cash, Beginning	22,344		
Prior Year Canceled Encumbrances	<u>0</u>		
Modified Unencumbered Cash, Ending	<u>\$ 21,014</u>		

**SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

Parent Education Fund

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Statutory Revenues			
Local Sources	\$ 38,310	\$ 31,927	\$ 6,383
State Sources	<u>58,383</u>	<u>58,940</u>	<u>(557)</u>
	<u>96,693</u>	<u>\$ 90,867</u>	<u>\$ 5,826</u>
 Expenditures			
Instruction	95,285	\$ 97,251	\$ 1,966
Transfers	<u>1,223</u>	<u>0</u>	<u>(1,223)</u>
	<u>96,508</u>	<u>\$ 97,251</u>	<u>\$ 743</u>
 Receipts Over (Under) Expenditures	185		
 Modified Unencumbered Cash, Beginning	6,384		
 Prior Year Canceled Encumbrances	<u>0</u>		
 Modified Unencumbered Cash, Ending	<u>\$ 6,569</u>		

SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

KPERS Contribution Fund

	<u>Statutory</u>	<u>Budget</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Transactions</u>		
Statutory Revenues			
State Sources	\$ 100,481	\$ 128,270	\$ (27,789)
	<u>100,481</u>	<u>\$ 128,270</u>	<u>\$ (27,789)</u>
 Expenditures			
Instruction	60,289	\$ 76,474	\$ 16,185
Student Support Services	10,048	13,527	3,479
General Administration	6,029	7,418	1,389
School Administration	9,043	11,873	2,830
Operations and Maintenance	6,029	7,411	1,382
Student Transportation Services	4,058	5,255	1,197
Food Service	4,985	6,312	1,327
	<u>100,481</u>	<u>\$ 128,270</u>	<u>\$ 27,789</u>
 Receipts Over (Under) Expenditures	0		
 Modified Unencumbered Cash, Beginning	0		
 Prior Year Canceled Encumbrances	<u>0</u>		
 Modified Unencumbered Cash, Ending	<u>\$ 0</u>		

FEDERAL AWARD INFORMATION

**SOUTH HAVEN UNIFIED SCHOOL DISTRICT NO. 509
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash		Receipts	Expenditures	Unencumbered Cash 6-30-11
			7-1-10	6-30-11			
Department of Education							
Indian Education Grants	84.060	\$ 4,035	\$ (4,222)	\$ 4,222	\$ 4,035	\$ (4,035)	
Rural Education Achievement Program	84.358	18,303	(21,424)	19,202	84	(2,306)	
		<u>22,338</u>	<u>(25,646)</u>	<u>23,424</u>	<u>4,119</u>	<u>(6,341)</u>	
 (Passes Through Kansas Department of Education)							
Department of Agriculture							
School Breakfast Program	10.553	12,159					
National School Lunch Program	10.555	41,064					
		<u>53,223</u>	<u>0</u>	<u>53,223</u>	<u>53,223</u>	<u>0</u>	
Department of Education							
Title I Low Income	84.010	38,447	0	38,447	38,447	0	
Title II Tech Literacy	84.318	130	(119)	130	11	0	
Title IIA	84.367	15,406	0	15,406	15,406	0	
Stabilization-ARRA	84.394	35,541	0	35,541	35,541	0	
Education Jobs Fund	84.410	62,232	0	62,232	62,232	0	
		<u>151,756</u>	<u>(119)</u>	<u>151,756</u>	<u>151,637</u>	<u>0</u>	
Total Federal Financial Assistance		\$ 227,317	\$ (25,765)	\$ 228,403	\$ 208,979	\$ (6,341)	