



**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

ANNUAL FINANCIAL REPORT

2010-2011

YEAR ENDED JULY 31, 2011

MSHS



MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA

ANNUAL FINANCIAL REPORT

YEAR ENDED JULY 31, 2011

TABLE OF CONTENTS

	<u>Reference</u>	<u>Page</u>
Organization.....		2
Financial Section		
Independent Auditor's Report.....		4
Management's Discussion and Analysis		6
BASIC FINANCIAL STATEMENTS		
Statement of Net Assets	Exhibit 1	12
Statement of Revenues, Expenses, and Changes in Net Assets.....	Exhibit 2	13
Statement of Cash Flows.....	Exhibit 3	14
Notes to the Financial Statements.....		15
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Funding Progress - Other Postemployment Benefits		24
SUPPLEMENTAL INFORMATION		
Statement of Net Assets by Location	Schedule 1	26
Statement of Revenues, Expenses, and Changes in Net Assets by Location	Schedule 2	28
Statement of Cash Flows by Location.....	Schedule 3	30
Schedule of Tournament Revenues and Direct Expenses	Schedule 4	33
Schedule of Revenues and Expenses – Statutory Basis.....	Schedule 5	34

MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA

Organization 2011

Term Expires

BOARD OF DIRECTORS

Les Zellman, President	2011
Mindy Sparby, Vice President	2012
John Schumacher, Treasurer*	2011
Perry Aadland	2012
Kim Algoo*	2012
Rick Bleichner.....	2013
Carol Bomben	2011
Laurie Esau*.....	2014
Mark Fredericksen.....	2013
John Hamann.....	2014
Walter Hautala.....	2013
Ray Kirch.....	2011
Mike Kolness.....	2014
Chris Laird.....	2012
Jill Lofald.....	2012
Mike Manning.....	2014
Brent Robbins*	2011
Mike Rusinko*	2013
Luanne Wagner.....	2012
Bill Webb	2011

Executive Staff

David Stead, Executive Director	Indefinite
Lisa Lissimore, Associate Director.....	Indefinite
Kevin Merkle, Associate Director.....	Indefinite
Craig Perry, Associate Director.....	Indefinite
Jody Redman, Associate Director	Indefinite

* Appointed by the Governor

FINANCIAL SECTION



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Minnesota State High School League

We have audited the accompanying basic financial statements of the Minnesota State High School League as of and for the year ended July 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Minnesota State High School League's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Regions 2A, 3A, 6A, 7A, 8A, 2AA, 7AA, and 8AA, which represent approximately 12 percent, 10 percent, and 20 percent, respectively, of the assets, net assets, and revenues of the Minnesota State High School League. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those listed Regions of the Minnesota State High School League, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Minnesota State High School League as of July 31, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

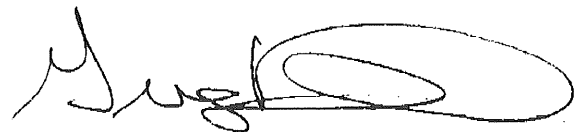
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures to the required supplementary information, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental information relating to fiscal year 2011 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements for the year ended July 31, 2011, as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, the Minnesota State High School League's basic financial statements for the years ended July 31, 2008, 2009, and 2010, which are not presented in the accompanying financial statements. In our reports dated January 26, 2009, January 22, 2010, and December 29, 2010, we expressed unqualified opinions on the respective financial statements. In our opinion, the supplemental information in Schedule 5 is fairly stated in all material respects in relation to the basic financial statements for the years ended July 31, 2008, 2009, and 2010, as a whole.

We also issue a separate management letter report dated November 17, 2011, which includes a Schedule of Findings and Recommendations and our Report on Internal Control Over Financial Reporting and Minnesota Legal Compliance.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

November 17, 2011

Minnesota State High School League
Management's Discussion and Analysis
July 31, 2011

(Unaudited)

Introduction

The discussion and analysis of the Minnesota State High School League's (MSHSL) financial statements provides an overview of the financial position and activities of the League for the year ended July 31, 2011. The discussion has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes.

Financial Statements

The MSHSL's Management's Discussion and Analysis (MD&A) report serves as an introduction to the basic financial statements. The basic financial statements consist of two parts: the financial statements and notes to the financial statements. The MD&A (this section) is required to accompany the basic financial statements and, therefore, is included as required supplementary information.

The MSHSL presents three financial statements: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. These financial statements provide information about activities of the MSHSL as a whole and present a longer-term view of the League's finances.

Statement of Net Assets

The Statement of Net Assets presents the financial position of the League at the end of the fiscal year, under a classified balance sheet format that reflects current and noncurrent assets and liabilities, and reports net assets under the following classifications:

Invested in capital assets. This category includes property and equipment, net of accumulated depreciation.

Unrestricted. Includes assets that are not subject to limitations or stipulations imposed by external entities and that have not been set aside for capital purposes. These assets are available for any purpose of the League and include resources that may be reserved for specific purposes as determined by management, financial, or Board of Directors policies.

The League's assets, liabilities, and net assets at July 31, 2011 and 2010, are summarized below.

	2011	2010	Percentage Change
Current assets	\$ 4,558,269	\$ 4,365,945	4.4%
Noncurrent assets	470,240	429,335	9.5%
Capital assets	1,028,435	1,073,039	(4.2%)
Total Assets	<u>\$ 6,056,944</u>	<u>\$ 5,868,319</u>	3.2%
Current liabilities	\$ 1,376,553	\$ 1,398,905	(1.6%)
Noncurrent liabilities	460,297	404,911	13.7%
Total liabilities	<u>\$ 1,836,850</u>	<u>\$ 1,803,816</u>	1.8%
Invested in capital assets	\$ 1,028,435	\$ 1,073,039	(4.2%)
Unrestricted	3,191,659	2,991,464	6.7%
Total net assets	<u>\$ 4,220,094</u>	<u>\$ 4,064,503</u>	3.8%

Current assets at July 31, 2011, totaled \$4,558,269, an increase of 4.4% or \$192,324. Current assets consist primarily of cash and cash equivalents, investments in negotiable and nonnegotiable certificates of deposit and accounts receivable. Accounts receivable consists primarily of television fees owed to the League for tournaments held in 2011.

Capital assets, net of accumulated depreciation totaled \$1,028,435. Capital assets purchased in 2011 totaled \$7,795 and consisted of filing cabinets and office equipment. A \$44,604 reduction in capital assets is due to the difference in depreciation recorded in 2011 and capital assets purchased in 2011. The noncurrent assets consist of deferred compensation under section 457(b) of the Internal Revenue Code for the executive staff and investments held for retirement benefits payable to employees who have met certain eligibility criteria for payment of sick leave balances.

Current liabilities totaled \$1,376,553 at July 31, 2011, a 1.6% decrease or \$22,352. Current liabilities consist primarily of school expense reimbursement payable. The school expense reimbursement liability increased \$381,783, accounts payable decreased by \$413,615. The decrease in accounts payable was related to schools receiving year end 2010 activity registration rebates. These rebates were discontinued in 2011. There is no retirement benefits payable in current liabilities in 2011. Noncurrent liabilities totaled \$460,297 at July 31, 2011, an increase of 13.7% or \$55,386. Noncurrent liabilities consist of retirement benefits payable and deferred compensation.

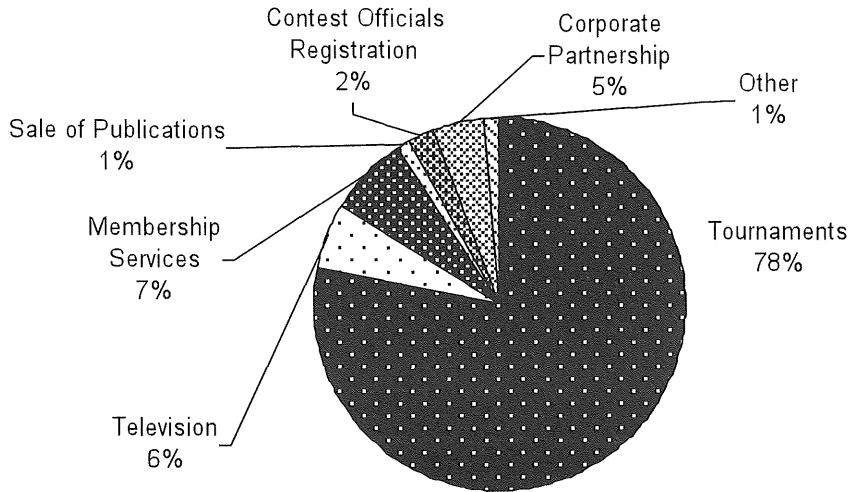
Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the League's operating and nonoperating financial activity during the year. This statement displays the net income or loss from operations. Operating revenues are those generated by the League's principal ongoing operations such as tournaments, membership fees, official's registrations, and sale of publications. Corporate partnerships are considered nonoperating revenue because the League does not give equal value in exchange for the resources received.

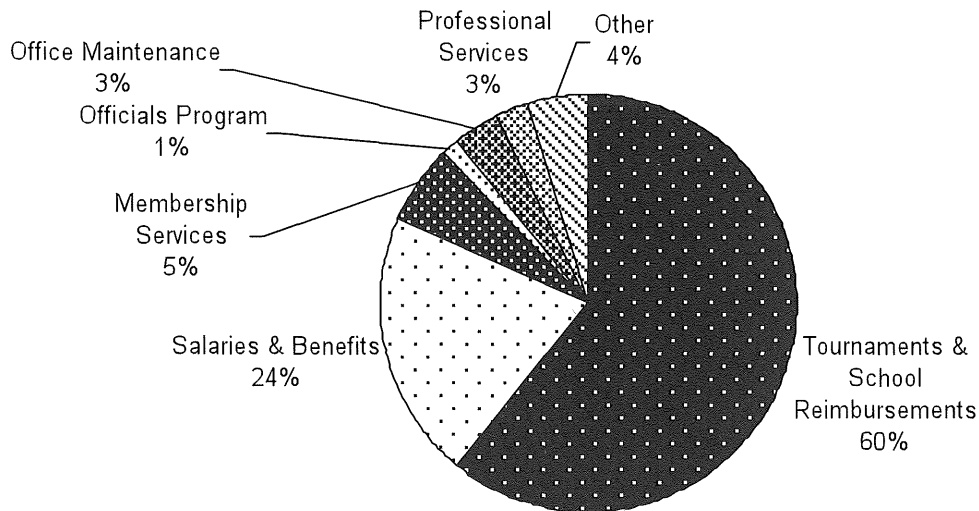
The League's revenues, expenses and changes in net assets for the years ended July 31, 2011 and 2010, are summarized below.

	2011	2010	Percentage Change
Operating revenues			
Tournaments	\$ 10,879,000	\$ 10,222,811	6.4%
Television	815,820	846,670	(3.6%)
Membership services	951,790	557,960	70.6%
Contest officials registration	313,532	308,554	1.6%
Sale of publications	151,552	237,998	(36.3%)
Other	168,851	138,794	21.7%
Total operating revenues	<u>\$ 13,280,545</u>	<u>\$ 12,312,787</u>	7.9%
Operating expenses			
Tournaments and school reimbursements	\$ 8,232,017	\$ 7,964,655	3.4%
Membership services	665,085	706,231	(5.8%)
Officials program	167,124	285,474	(41.5%)
Salaries and benefits	3,362,274	3,066,708	9.6%
Professional services	370,066	340,349	8.7%
Office maintenance	387,308	486,117	(20.3%)
Other	591,777	579,405	2.1%
Total operating expenses	<u>\$ 13,775,651</u>	<u>\$ 13,428,939</u>	2.6%
Operating income (loss)	<u>\$ (495,106)</u>	<u>\$ (1,116,152)</u>	(55.6%)
Non-operating revenues (expenses)			
Corporate partnership	\$ 639,680	\$ 715,429	(10.6%)
Interest	11,017	23,479	(53.1%)
Total non-operating revenues (expenses)	<u>\$ 650,697</u>	<u>\$ 738,908</u>	(11.9%)
Change in net assets	\$ 155,591	\$ (377,244)	141.2%
Net assets, August 1	<u>4,064,503</u>	<u>4,441,747</u>	(8.5%)
Net assets, July 31	<u>\$ 4,220,094</u>	<u>\$ 4,064,503</u>	3.8%

Total MSHSL Revenues



Total MSHSL Expenses



For the year ended July 31, 2011, tournament revenue totaled \$10,879,000, an increase of \$656,189 or 6.4%. The major portion of this tournament revenue was the sale of tickets for admission to the events. Fewer people attended the tournaments in 2011 than in 2010. This drop in attendance was offset by an increase in ticket prices for a few select tournaments. A record number of people attended the tournament series in 2008. Other tournament revenue consists of program sales, t-shirt and souvenir sales, advertising and sponsorships.

Television revenues decreased in 2011 due to an agreement with KSTC to web stream MSHSL tournaments over the internet. Television revenues are expected to increase by approximately 3% for the next 10 years. The League's Board of Directors signed a 10-year, \$9.7 million contract with a local television station in 2005. In 2009, the League signed an agreement with the television station extending the contract to 2021.

Membership services revenue consist of a membership fee and an activity registration fee for each activity the school sponsors at the high school level. For the year ended July 31, 2011, membership service revenue increased over 70%. This increase is due to the \$40 rebate per activity registration to all member schools for the past two years being eliminated. In essence, the \$90 activity fee was reduced to \$50 per activity for the years ending 2009 and 2010. The \$90 fee was reinstated in 2011.

Contest officials register annually with the League and attend rules meetings and must pass a test to officiate League sponsored games. These registrations increased by 1.6% in fiscal year 2011. The League increased each registration from \$37 to \$42 to offset an increase in expenses related to requiring background checks on all League registered officials in 2009.

Publications are sold to member schools, officials, and the general public. Publications include the League membership directory, Official Handbook and sports rules books. The sale of these publications decreased by 36% in fiscal year 2011. This sharp decrease in revenues was anticipated due to the League implementing an every other year rulebook requirement for schools and officials.

Operating expenses consist of tournament expenses, school reimbursements as well as general and administrative expenses. Tournament and school reimbursements increased by 3.4% in fiscal year 2011. Membership services decreased 5.8%. The official's program expenses decreased by 41.5% due to fewer rulebook purchases, the conclusion of the Officiate Minnesota summit held in July 2010 and a decrease in the official's insurance premium. The office maintenance line item decreased by 20.3% due to the repair of the office parking lot in 2010. For fiscal year ended July 31, 2011, total operating expenses increased by 2.6%.

Statement of Cash Flows

The Statement of Cash Flows presents information about changes in the League's cash position using the direct method of reporting sources and uses of cash. The direct method reports all major cash inflows and outflows at gross amounts, differentiating these activities into cash flows arising from operating activities, noncapital and related financing, capital and related financing, and investing activities.

The League's cash flows for the years ended July 31, 2011 and 2010 are summarized below.

	2011	2010	Percentage Change
Cash provided by (used in)			
Operating activities	\$ (391,070)	\$ (1,338,693)	(70.8%)
Non-capital and related financing activities	639,680	715,429	(10.6%)
Capital and related financing activities	(7,795)	-	100.0%
Investing activities	440,883	1,305,517	(66.2%)
Net increase (decrease) in cash	\$ 681,698	\$ 682,253	(0.1%)
Cash and cash equivalents-August 1	2,258,359	1,576,106	43.3%
Cash and cash equivalents-July 31	<u>\$ 2,940,057</u>	<u>\$ 2,258,359</u>	30.2%

Capital Assets

Investment in capital assets includes land, buildings and building improvements, furniture and equipment, and computer equipment. Total depreciation expense for the year was \$52,399. Capital additions consisted of a filing cabinet and office equipment totaling \$7,795.

Economic Factors That Will Affect the Future

Looking toward the future, management believes that the League is well positioned to continue its strong financial position and level of excellence in service to the students, administrators, schools, and citizens of the state of Minnesota. The League's revenues are largely dependent on the weather and school match-ups at the various state tournaments. Corporate sponsorships and the television rights fee help to alleviate the up and down swings in tournament revenues.

Contacting the League's Financial Management

This financial report is designed to provide our member schools, administrators, board members, and the citizens of Minnesota a general overview of the League's finances and to demonstrate the League's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard Matter, Assistant Director, or David Stead, Executive Director, at (763) 560-2262.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS
 JULY 31, 2011

Assets

	2011
Current Assets	
Cash and cash equivalents (Note 2)	\$ 2,940,057
Investments (Note 2)	1,488,000
Accounts receivable	84,487
Accrued interest receivable	1,074
Prepaid items	44,651
	<hr/>
Total current assets	\$ 4,558,269
Noncurrent Assets	
Restricted assets	
Deferred compensation (Note 10)	\$ 112,936
	<hr/>
Capital assets	
Non-depreciable	\$ 318,564
Depreciable-net of accumulated depreciation	709,871
	<hr/>
Net capital assets (Note 3)	\$ 1,028,435
	<hr/>
Other assets	
Investments held for retirement benefits (Note 7)	\$ 357,304
	<hr/>
Total noncurrent assets	\$ 1,498,675
	<hr/>
Total Assets	\$ 6,056,944

Liabilities and Net Assets

Current Liabilities	
Salaries payable	\$ 55,966
Accounts payable	64,873
School expense reimbursement payable	1,105,358
Accrued employee benefits payable (Note 6)	132,734
Deferred income (Note 5)	17,622
	<hr/>
Total current liabilities	\$ 1,376,553
Noncurrent Liabilities	
Retirement benefits payable (Note 7)	\$ 336,372
Net other post-employment benefits payable (Note 13)	10,989
Deferred compensation (Note 10)	112,936
	<hr/>
Total noncurrent liabilities	\$ 460,297
	<hr/>
Total Liabilities	\$ 1,836,850
	<hr/>
Net Assets (Note 8)	
Invested in capital assets	\$ 1,028,435
Unrestricted	3,191,659
	<hr/>
Total Net Assets	\$ 4,220,094

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JULY 31, 2011

	2011
Operating Revenues	
Tournaments	\$ 10,879,000
Television	815,820
Membership services	951,790
Contest officials registration	313,532
Sales of handbooks, rule books, and supplies	151,552
Other	<u>168,851</u>
Total Operating Revenues	\$ <u>13,280,545</u>
Operating Expenses	
Tournaments	\$ 7,098,540
School expense reimbursement	1,133,477
Membership services	
Insurance	474,964
Handbooks, rule books, and supplies	141,340
Other	48,781
Fine arts programs	19,692
Officials program	167,124
Committees	123,401
Board of directors	81,129
Salaries	2,330,587
Employee benefits	1,031,687
Insurance	15,463
Legal	89,648
Other professional services	280,418
Maintenance	58,225
Utilities	46,617
Postage	64,804
Supplies	94,627
Data processing and office equipment	55,173
Public relations	81,072
Corporate sponsor commission	53,700
Television consulting	14,867
Depreciation	52,399
Other	<u>217,916</u>
Total Operating Expenses	\$ <u>13,775,651</u>
Operating Income (Loss)	\$ <u>(495,106)</u>
Nonoperating Revenues (Expenses)	
Corporate partnership	\$ 639,680
Interest	<u>11,017</u>
Total Nonoperating Revenues (Expenses)	\$ <u>650,697</u>
Change in Net Assets	\$ 155,591
Total Net Assets - August 1	<u>4,064,503</u>
Total Net Assets - July 31	<u><u>\$ 4,220,094</u></u>

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

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JULY 31, 2011

	2011
Cash Flows from Operating Activities	
Cash received from customers	\$ 11,957,941
Cash received from schools	951,790
Payments to suppliers for goods and services	(9,214,964)
Payments to employees for services	(2,328,658)
Payments for fringe benefits	(1,005,485)
Payments to schools	<u>(751,694)</u>
Net Cash Provided by (Used In) Operating Activities	<u>\$ (391,070)</u>
Cash Flows from Non-Capital and Related Financing Activities	
Corporate partnership	\$ 639,680
Operating transfers in	718,278
Operating transfers out	<u>(718,278)</u>
Net Cash Provided by (Used In) Non-Capital and Related Financing Activities	<u>\$ 639,680</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	<u>\$ (7,795)</u>
Cash Flows from Investing Activities	
Interest on investments	\$ 12,390
Proceeds from sales and maturities of investments	4,084,750
Purchases of investments	<u>(3,656,257)</u>
Net Cash Provided by (Used In) Investing Activities	<u>\$ 440,883</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 681,698
Cash and Cash Equivalents - August 1	<u>2,258,359</u>
Cash and Cash Equivalents - July 31	<u><u>\$ 2,940,057</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities	
Operating Income (Loss)	\$ (495,106)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities	
Depreciation	52,399
(Increase) Decrease in accounts receivable	56,730
(Increase) Decrease in prepaid expenses	(479)
Increase (Decrease) in salaries payable	1,929
Increase (Decrease) in accounts payable	(413,615)
Increase (Decrease) in school expense reimbursement payable	381,783
Increase (Decrease) in short-term accrued employee benefits payable	8,464
Increase (Decrease) in deferred income	(913)
Increase (Decrease) in net other post-employment benefits payable	6,766
Increase (Decrease) in retirement benefits payable	<u>10,972</u>
Total adjustments	<u>\$ 104,036</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (391,070)</u></u>

Non-cash Operating Activities

The MSHSL has \$427,065 of non-monetary exchange revenues and expenses

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

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2011**

1. Summary of Significant Accounting Policies

The Minnesota State High School League's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for the year ended July 31, 2011. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. Although the League has the option to apply FASB pronouncements issued after that date, the League has chosen not to do so. The more significant accounting policies established in GAAP and used by the League are discussed below.

Nature of Operations - The Minnesota State High School League (MSHSL) is a nonprofit corporation whose Articles of Incorporation and Constitution were filed with the Secretary of State on May 27, 1960. The MSHSL is a voluntary association of high schools whose governing boards have delegated their control of extracurricular activities to the MSHSL. These activities include statewide athletic programs for both able-bodied athletes and athletes with disabilities, music, drama, speech, and debate.

Reporting Entity - The Board of Directors is responsible for the management of the affairs of the MSHSL. The League's Constitution directs the Board of Directors to divide the state into regions and to have control of all region and section contests. Each Administrative Region Committee is charged with the immediate management of the activities assigned by the Board. The Administrative Region Committees must adhere to the League's Constitution, Articles of Incorporation, and policies developed by the Board of Directors. They do not have the authority to determine or interpret eligibility bylaws, nor may they penalize a school for bylaw infractions. Because the Administrative Regions are not legally separate entities, the July 31, 2011, financial statements of the MSHSL include the financial information of all 16 Administrative Regions.

Measurement Focus and Basis of Accounting - The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned. Expenses are recognized when they are incurred. When both restricted and unrestricted resources are available for use, it is the League's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and Cash Equivalents - For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased, excluding investments held for retirement benefits, are considered to be cash equivalents.

Investments - Investments are stated at fair value. Certain investments have been designated by the Board of Directors for the payment of retirement benefits.

Restricted Assets - The League established a deferred compensation plan under Section 457(b) of the Internal Revenue Code for some of the executive staff. The assets in the plan are held by the MSHSL, subject to the claims of its general creditors, until the employee becomes eligible for withdrawals as provided in the plan agreement.

Capital Assets - Property and equipment are stated at cost. Replacements or improvements are capitalized. The capitalization threshold is \$3,000. Maintenance and repairs which do not improve or extend the lives of the assets are expensed as incurred. Depreciation is recorded using the straight-line method over the assets' estimated useful lives:

Land improvements	40 years
Buildings and building improvements	40 years
Furniture and equipment	5-10 years
Computer equipment	3 years

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

1. Summary of Significant Accounting Policies (Continued)

Revenues – Operating revenues, such as tournament revenue, result from exchange transactions associated with the principal activity of the League. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or incidental activities. Corporate partnerships are considered nonoperating revenue because the League does not give equal value in exchange for the resources received.

School Expense Reimbursement - A liability is set up to report the proportionate return of excess nonappropriated funds to member schools based on their participation in MSHSL-sponsored tournaments.

Sick Pay Policy - The MSHSL employees are entitled to 15 days of paid sick leave per year. Employees are not compensated for unused sick leave upon termination of employment; however, qualified employees that meet the requirements of the sick leave pay plan may be compensated for unused balances to a maximum of one year salary.

Tax-Exempt Status - The MSHSL is a nonprofit organization exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and applicable state statutes.

2. Deposits and Investments

The MSHSL is governed by the deposit and investment limitations of state law and its own internal policies. The deposits and investments held on July 31, 2011, reported at fair value, are shown below.

	Maturities	Fair Value
Deposits:		
Checking and savings	-	\$ 3,047,157
Investments:		
Negotiable certificates of deposit		
Wells Fargo	Various	\$ 1,488,000
Wells Fargo	Various	250,000
Total Investments		\$ 1,738,000
Total Deposits and Investments		\$ 4,785,157
Add:		
Petty Cash	-	204
Deferred compensation		112,936
Total Cash, Cash Equivalents, and Investments		\$ 4,898,297

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

2. Deposits and Investments (Continued)

Reconciliation to the Statement of
Net Assets:

Cash and cash equivalents	\$ 2,940,057
Investments	1,488,000
Deferred compensation	112,936
Investments held for retirement benefits	357,304
Total Cash, Cash Equivalents, and Investments	\$ 4,898,297

Custodial Credit Risk – As of July 31, 2011, deposits in financial institutions, reported as components of cash, cash equivalents, and investments, had a carrying value of \$3,047,157. Bank balances were \$3,208,220, of which \$1,499,028 was not covered by federal depository insurance.

Except as noted below, all investments, evidenced by individual securities, are registered in the name of the MSHSL or one of its administrative regions. As of July 31, 2011, negotiable certificates of deposit in the amount of \$1,738,000 were unregistered and held by the MSHSL or its agent, but not in the MSHSL's name.

Investment Interest Rate Risk – The MSHSL has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at July 31, 2011, are provided in the previous schedule.

Investment Credit Risk – The MSHSL has a formal investment policy that limits its investment choices.

Concentration of Investment Credit Risk – The MSHSL places no limit on the amount it may invest in any one issuer. At July 31, 2011, the MSHSL had no concentration of credit risk.

3. Capital Assets

Capital assets comprise the following at July 31, 2011:

	07/31/2010	Additions	Deductions/ Adjustments	07/31/2011
Capital asset, not being depreciated:				
Land and land improvements	\$ 318,564	\$ -	\$ -	\$ 318,564
Capital assets, being depreciated:				
Building and building improvements	\$ 1,508,219	\$ -	\$ -	\$ 1,508,219
Furniture and equipment	193,197	7,795	-	200,992
Computer equipment	4,454	-	-	4,454
Total capital assets being depreciated	\$ 1,705,870	\$ 7,795	\$ -	\$ 1,713,665
Less: accumulated depreciation				
Building and building improvements	\$ (791,747)	\$ (37,714)	\$ -	\$ (829,461)
Furniture and equipment	(155,194)	(14,685)	-	(169,879)
Computer equipment	(4,454)	-	-	(4,454)
Total accumulated depreciation	\$ (951,395)	\$ (52,399)	\$ -	\$ (1,003,794)
Total capital assets being depreciated, net	\$ 754,475	\$ (44,604)	\$ -	\$ 709,871
Net Capital Assets	\$ 1,073,039	\$ (44,604)	\$ -	\$ 1,028,435

Depreciation expense totaling \$52,399 was charged for the year ended July 31, 2011.

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

4. Operating Leases

The MSHSL is obligated under operating leases for mailing equipment and photocopying equipment. Expenses associated with these leases were \$16,866 for the year ended July 31, 2011. Future minimum lease payments at July 31, 2011, are as follows:

2012	\$	16,235
2013		14,160
2014		13,776
2015		9,035
2016		9,035
2017		1,506
Total	\$	63,747

5. Deferred Income

Deferred income consists of amounts received for membership services and official handbooks, yearbooks, and rules books, which are not yet ready for distribution. This income is recognized in subsequent years.

6. Accrued Employee Benefits Payable

MSHSL employees that meet certain eligibility criteria earn vacation benefits based on years of service. Employees earn between two weeks and five weeks of vacation annually. Unused vacation time cannot exceed 1.5 times the employee's current rate of accrual. Employees are paid 100% of their accumulated vacation pay when they terminate their employment.

Accrued employee benefits payable at July 31, 2011:

Current Liabilities	
Vacation leave	\$ <u>132,734</u>

7. Retirement Benefits Payable

The MSHSL has a retirement plan that provides certain unused sick leave compensation benefits for eligible employees.

Following 15 years of service to the MSHSL and after the employee reaches age 55; the employee may receive a payment for unused sick leave at the time of separation from the MSHSL. Said payment shall be calculated by multiplying the number of unused sick leave days times the daily rate of pay at separation. The maximum unused sick leave payment shall not exceed one year's salary.

Retirement benefits payable at July 31, 2011, is \$336,372. Costs associated with employees who have earned benefits but whose benefits have not vested because they have not yet met the requirements of the plan have not been accrued because the ultimate cost to the MSHSL cannot be reasonably estimated. The MSHSL has designated certain investments to be used for payment of future retirement benefits. These amounts exceeded the accrued liability by \$20,932 for the year ended July 31, 2011.

Retirement benefits activity for the year ended July 31, 2011:

	07/31/2010	Additions	Deductions	07/31/2011	Due Within One Year
Retirement benefits payable	\$ 325,400	\$ 10,972	\$ -	\$ 336,372	\$ -

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

8. Equity Classifications

Equity is classified as net assets and displayed in two components:

- A. Invested in capital assets – Consists of capital assets, net of accumulated depreciation.
- B. Unrestricted – All other net assets that do not meet the definition of “invested in capital assets”.

9. MSHSL 403(b) Plan

The MSHSL participates with eligible employees, who so elect, in a 403(b) plan. Employees must contribute at least six percent of their gross wages to receive the MSHSL’s contribution.

The MSHSL contributed 13 percent of the participating employees’ wages. The only obligation of the MSHSL is to make contributions for the term of the participating employees’ employment. In accordance with the plan terms, each employee’s share of the MSHSL’s contribution is fully vested with the employee. The MSHSL’s contributions were \$301,701 for the year ended July 31, 2011.

10. Deferred Compensation

The MSHSL established in the year ending July 31, 2008, a deferred compensation plan under Section 457(b) of the Internal Revenue Code for two members of the executive staff. Under the provisions of the plan, the MSHSL contributes four percent or seven percent of the executive staff’s salary to the plan. Based on the executive directors contract an additional contribution may be made on an annual basis.

The assets in the plan are held by the MSHSL, subject to the claims of its general creditors, until the employee becomes eligible for withdrawals as provided in the plan agreement. The assets (held in investment options in accordance with the employee’s selection) and the related liability are shown on the MSHSL’s balance sheet at July 31, 2011.

11. Risk Management

The MSHSL is exposed to various risks of loss related to: torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; natural disasters; and catastrophic injury. To cover its liabilities, the MSHSL purchases commercial insurance. There were no significant reductions in insurance coverage from the prior year. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

12. Long Term Contracts

The MSHSL has signed contracts with a television station and certain corporate sponsors. These contracts last from 3 to 11 years. The revenue from these contracts is recognized when earned. In addition, the League exchanges advertising for other non-monetary assets or services such as tournament equipment, and radio, television or print advertising. The value of the services exchanged is recorded in tournament revenue and expense accounts.

13. Other Post-Employment Benefits

In 2009, the MSHSL implemented the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. This pronouncement required the MSHSL to calculate and record a net other post-employment benefits (OPEB) payable at July 31, 2011. The net OPEB payable is, in general, the cumulative difference between the actuarial required contribution and the actual contribution since August 1, 2008.

Plan Description

Following retirement, if the employee has reached the age of 58 or 60 depending on the employee’s classification and has been employed by the MSHSL for 20 years, payment of medical, hospitalization, dental, and term life insurance

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

13. Other Post-Employment Benefits (Continued)

premiums for the employee will be made by the MSHSL as if the individual were still on staff until the conclusion of the fiscal year the employee reaches age 65, subject to the approval of the insurance carriers.

Participants

Participants of the plan consisted of the following at August 1, 2008, the date of the first actuarial valuation:

Active employees	22
Retired employees	4
Dependents of retirees	0
 Total plan participants	 26

Funding Policy

The contribution requirements of the plan members and the MSHSL are established and may be amended by the MSHSL Board of Directors. The MSHSL finances the plan on a "pay-as-you-go" basis. During 2011, the MSHSL expended \$42,064 for these benefits.

For those qualified retirees that meet the criteria for a full medical, dental, and life insurance benefit, the MSHSL contributes 100% of the benefit cost.

Annual OPEB Cost and Net OPEB Obligation

The MSHSL's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the MSHSL's OPEB cost for 2011, the amount actuarially contributed to the plan, and changes in the MSHSL's net OPEB obligation.

Annual required contribution (ARC)	\$ 48,891
Interest on net OPEB obligation	190
Adjustment to ARC	(251)
Annual OPEB cost	48,830
Contributions during the year	(42,064)
Increase (Decrease) in net OPEB obligation	6,766
Net OPEB – Beginning of the year	4,223
Net OPEB – End of the year	\$ 10,989

The MSHSL's annual OPEB, the percentage of annual OPEB cost contributed to the plan, and the net OPEB payable for fiscal year 2011 and the preceding year are as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contribution	Net OPEB Obligation
July 31, 2009	\$ 48,891	\$ 50,488	103.3%	\$ (1,597)
July 31, 2010	48,891	43,071	88.1%	4,223
July 31, 2011	48,830	42,064	86.1%	10,989

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

13. Other Post-Employment Benefits (Continued)

Funding Status

The MSHSL currently has no assets that have been irrevocably deposited in a trust for future health benefits. Therefore, the actuarial value of plan assets is zero.

Actuarial accrued liability (AAL)	\$417,915
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$417,915
 Funded ratio (actuarial value of plan assets/AAL)	 0.00%
Covered Payroll (active plan members)	\$1,589,332
UAAL as a percentage of covered payroll	26.3%

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations.

In the August 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent investment rate of return and an annual health care cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after eight years. The actuarial value of plan assets was set equal to the market value of assets. The unfunded actuarial accrued liability is being amortized over 30 years on a closed group basis.

REQUIRED SUPPLEMENTARY INFORMATION

**MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA**

**SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
JULY 31, 2011**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
August 1, 2008	\$ -	\$ 417,915	\$ 417,915	0.0%	\$1,589,332	26.3%

Beginning in 2009, the MSHSL implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Currently, only one year's worth of data is available. Future reports will provide additional trend analysis to meet the three-year funding status requirements as the information becomes available.

SUPPLEMENTAL INFORMATION

MINNESOTA STATE HIGH SCHOOL LEAGUE
BROOKLYN CENTER, MINNESOTA

SCHEDULE 1

STATEMENT OF NET ASSETS BY LOCATION
JULY 31, 2011

	MSHSL OFFICE	ADMINISTRATIVE REGIONS																TOTAL ADMINISTRATIVE REGIONS	COMBINED TOTAL	
		1A	2A	3A	4A	5A	6A	7A	8A	1AA	2AA	3AA	4AA	5AA	6AA	7AA	8AA			
Assets																				
Current Assets																				
Cash and cash equivalents (Note 2)	\$ 1,593,021	67,507	116,606	115,068	(489)	83,674	48,243	118,390	102,351	50,790	65,671	107,843	96,335	126,915	85,082	100,389	62,661	\$ 1,347,036	\$ 2,940,057	
Investments (Note 2)	1,488,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,488,000	
Accounts receivable	77,010	-	-	-	-	225	-	-	-	-	3,361	-	-	3,891	-	-	-	7,477	84,487	
Accrued interest receivable	975	-	-	-	-	99	-	-	-	-	-	-	-	-	-	-	-	99	1,074	
Prepaid items	44,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,651	
Total current assets	\$ 3,203,657	67,507	116,606	115,068	(489)	83,998	48,243	118,390	102,351	50,790	69,032	107,843	96,335	130,806	85,082	100,389	62,661	\$ 1,354,612	\$ 4,558,269	
Noncurrent Assets																				
Restricted assets																				
Deferred compensation (Note 10)	\$ 112,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 112,936
Capital assets																				
Non-depreciable	\$ 318,564	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 318,564
Depreciable-net of accumulated depreciation	709,871	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	709,871
Net capital assets (Note 3)	\$ 1,028,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 1,028,435	
Other assets																				
Investments held for retirement benefits (Note 7)	\$ 357,304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 357,304
Total noncurrent assets	\$ 1,498,675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 1,498,675	
Total Assets	\$ 4,702,332	67,507	116,606	115,068	(489)	83,998	48,243	118,390	102,351	50,790	69,032	107,843	96,335	130,806	85,082	100,389	62,661	\$ 1,354,612	\$ 6,056,944	
Liabilities and Net Assets																				
Current Liabilities																				
Salaries payable	\$ 55,458	-	-	-	-	-	-	-	-	-	508	-	-	-	-	-	-	-	\$ 508	\$ 55,966
Accounts payable	59,702	-	-	-	-	-	-	-	-	-	700	574	-	953	2,944	-	-	5,171	64,873	
School expense reimbursement payable	612,739	-	86,600	39,344	-	8,866	-	52,200	42,351	-	24,998	46,269	43,679	74,532	23,060	50,720	-	492,619	1,105,358	
Accrued employee benefits payable (Note 6)	132,734	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132,734	
Deferred income (Note 5)	17,622	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,622	
Total current liabilities	\$ 878,255	-	86,600	39,344	-	8,866	-	52,200	42,351	-	26,206	46,843	43,679	75,485	26,004	50,720	-	\$ 498,298	\$ 1,376,553	
Noncurrent Liabilities																				
Retirement benefits payable (Note 7)	\$ 336,372	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 336,372
Net other post-employment benefits payable	10,989	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,989	
Deferred compensation (Note 10)	112,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112,936	
Total noncurrent liabilities	\$ 460,297	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 460,297	
Total Liabilities	\$ 1,338,552	-	86,600	39,344	-	8,866	-	52,200	42,351	-	26,206	46,843	43,679	75,485	26,004	50,720	-	\$ 498,298	\$ 1,836,850	
Net Assets (Note 8)																				
Invested in capital assets	\$ 1,028,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ 1,028,435
Unrestricted	2,335,345	67,507	30,006	75,724	(489)	75,132	48,243	66,190	60,000	50,790	42,826	61,000	52,656	55,321	59,078	49,669	62,661	856,314	3,191,659	
Total Net Assets	\$ 3,363,780	67,507	30,006	75,724	(489)	75,132	48,243	66,190	60,000	50,790	42,826	61,000	52,656	55,321	59,078	49,669	62,661	\$ 856,314	\$ 4,220,094	

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS BY LOCATION
FOR THE YEAR ENDED JULY 31, 2011

	MSHSL OFFICE	ADMINISTRATIVE REGIONS															TOTAL ADMINISTRATIVE REGIONS	COMBINED TOTAL	
		1A	2A	3A	4A	5A	6A	7A	8A	1AA	2AA	3AA	4AA	5AA	6AA	7AA			8AA
Operating Revenues																			
Tournaments	\$ 5,398,279	433,559	374,172	422,120	219,677	371,401	523,476	363,074	286,001	319,005	191,429	395,167	286,385	363,398	274,481	271,859	385,517	\$ 5,480,721	\$ 10,879,000
Television	815,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	815,820
Membership services	951,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	951,790
Contest officials registration	313,532	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	313,532
Sales of handbooks, rule books, and supplies	151,552	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	151,552
Other	142,715	2,306	-	-	-	1,121	-	73	8,677	2,940	-	3,299	935	1,104	5,366	315	-	26,136	168,851
Total Operating Revenues	\$ 7,773,688	435,865	374,172	422,120	219,677	372,522	523,476	363,147	294,678	321,945	191,429	398,466	287,320	364,502	279,847	272,174	385,517	\$ 5,506,857	\$ 13,280,545
Operating Expenses																			
Tournaments	\$ 3,101,472	335,308	224,092	300,583	182,612	288,091	389,000	264,755	235,926	210,965	171,804	255,180	221,475	233,085	255,996	196,581	231,615	\$ 3,997,068	\$ 7,098,540
School expense reimbursement	612,740	14,518	86,600	39,539	-	8,846	-	31,400	42,351	54,225	25,029	46,269	25,177	73,722	22,341	50,720	-	520,737	1,133,477
Membership services																			
Insurance	467,764	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	7,200	474,964
Handbooks, rule books, and supplies	141,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141,340
Other	48,781	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,781
Fine arts programs	19,692	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,692
Officials program	167,124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167,124
Committees	20,422	5,322	4,412	12,471	1,969	12,885	8,343	12,394	9,182	9,520	2,414	2,528	2,765	1,229	121	8,339	9,085	102,979	123,401
Board of directors	81,129	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,129
Salaries	1,858,020	35,918	33,000	22,100	25,594	22,964	47,350	39,000	30,000	27,458	25,000	24,700	27,416	26,209	24,958	30,300	30,600	472,567	2,330,587
Employee benefits	936,696	6,030	6,764	4,530	5,247	4,750	9,705	7,174	6,149	5,679	5,114	5,063	5,721	5,421	5,162	6,210	6,272	94,991	1,031,687
Insurance	15,463	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,463
Legal	89,648	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,648
Other professional services	96,236	43,404	4,931	32,155	34,316	38,229	5,800	2,875	-	3,077	1,584	3,250	3,277	3,205	3,304	2,875	1,900	184,182	280,418
Maintenance	58,225	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,225
Utilities	46,617	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,617
Postage	63,343	-	-	-	-	-	1,461	-	-	-	-	-	-	-	-	-	-	1,461	64,804
Supplies	31,679	1,667	677	6,328	2,449	2,812	12,028	3,491	3,785	2,000	7,300	2,403	2,176	5,613	3,520	3,046	3,653	62,948	94,627
Data processing and office equipment	55,173	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,173
Public relations	52,753	2,190	2,585	-	-	4,739	-	-	6,733	-	-	9,988	-	-	-	-	2,084	28,319	81,072
Corporate sponsor commission	53,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,700
Television consulting	14,867	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,867
Depreciation	52,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,399
Other	200,204	844	1,707	-	830	741	2,940	361	6,988	-	450	520	-	1,394	937	-	-	17,712	217,916
Total Operating Expenses	\$ 8,285,487	445,651	365,218	418,156	253,467	384,507	477,077	361,900	341,564	313,374	239,145	350,351	288,457	350,328	316,789	298,521	285,659	\$ 5,490,164	\$ 13,775,651
Operating Income (Loss)	\$ (511,799)	(9,786)	8,954	3,964	(33,790)	(11,985)	46,399	1,247	(46,886)	8,571	(47,716)	48,115	(1,137)	14,174	(36,942)	(26,347)	99,858	\$ 16,693	\$ (495,106)
Nonoperating Revenues (Expenses)																			
Corporate partnership	\$ 635,586	2,190	-	-	-	1,904	-	-	-	-	-	-	-	-	-	-	-	\$ 4,094	\$ 639,680
Interest	7,910	-	107	325	17	594	173	349	354	227	143	-	59	685	-	45	29	3,107	11,017
Total Nonoperating Revenues (Expenses)	\$ 643,496	2,190	107	325	17	2,498	173	349	354	227	143	-	59	685	-	45	29	\$ 7,201	\$ 650,697
Income Before Transfers	\$ 131,697	(7,596)	9,061	4,289	(33,773)	(9,487)	46,572	1,596	(46,532)	8,798	(47,573)	48,115	(1,078)	14,859	(36,942)	(26,302)	99,887	\$ 23,894	\$ 155,591
Operating Transfers In	-	27,188	52,241	39,011	58,139	65,306	43,187	21,970	53,973	17,856	82,304	35,954	33,630	50,828	68,359	53,545	14,921	718,412	718,412
Operating Transfers Out	(30,000)	(10,940)	(62,987)	(44,323)	(34,442)	(56,497)	(84,229)	(25,463)	(7,061)	(27,090)	(36,393)	(83,401)	(31,799)	(62,025)	(22,828)	(29,668)	(69,266)	(688,412)	(718,412)
Change in Net Assets	\$ 101,697	8,652	(1,685)	(1,023)	(10,076)	(678)	5,530	(1,897)	380	(436)	(1,662)	668	753	3,662	8,589	(2,425)	45,542	\$ 53,894	\$ 155,591
Total Net Assets - August 1	3,262,083	58,855	31,691	76,747	9,587	75,810	42,713	68,087	59,620	51,226	44,488	60,332	51,903	51,659	50,489	52,094	17,119	802,420	4,064,503
Total Net Assets - July 31	\$ 3,363,780	67,507	30,006	75,724	(489)	75,132	48,243	66,190	60,000	50,790	42,826	61,000	52,656	55,321	59,078	49,669	62,661	\$ 856,314	\$ 4,220,094

STATEMENT OF CASH FLOWS BY LOCATION
FOR THE YEAR ENDED JULY 31, 2011

	MSHSL OFFICE	ADMINISTRATIVE REGIONS																TOTAL ADMINISTRATIVE REGIONS	COMBINED TOTAL		
		1A	2A	3A	4A	5A	6A	7A	8A	1AA	2AA	3AA	4AA	5AA	6AA	7AA	8AA				
Cash Flows from Operating Activities																					
Cash received from customers	\$ 6,440,032	435,865	374,172	422,120	219,677	372,297	523,476	363,668	294,678	321,945	188,068	405,646	289,531	368,758	280,317	272,174	385,517	\$ 5,517,909	\$ 11,957,941		
Cash received from schools	951,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	951,790		
Payments to suppliers for goods and services	(4,817,366)	(389,185)	(238,854)	(351,987)	(222,626)	(347,947)	(420,022)	(285,201)	(263,064)	(226,012)	(183,302)	(273,745)	(230,143)	(244,048)	(261,384)	(211,291)	(248,787)	(4,397,598)	(9,214,964)		
Payments to employees for services	(1,856,081)	(35,918)	(33,000)	(22,100)	(25,594)	(22,964)	(47,350)	(39,000)	(30,000)	(27,458)	(25,010)	(24,700)	(27,416)	(26,209)	(24,958)	(30,300)	(30,600)	(472,577)	(2,328,658)		
Payments for fringe benefits	(910,494)	(6,030)	(6,764)	(4,530)	(5,247)	(4,750)	(9,705)	(7,174)	(6,149)	(5,679)	(5,114)	(5,063)	(5,721)	(5,421)	(5,162)	(6,210)	(6,272)	(94,991)	(1,005,485)		
Payments to schools	(403,771)	(14,518)	(90,000)	(48,318)	-	(12,808)	-	-	-	(54,600)	(18,468)	(19,285)	-	(29,480)	(50,771)	(9,675)	-	(347,923)	(751,694)		
Net Cash Provided By (Used In) Operating Activities	\$ (595,890)	(9,786)	5,554	(4,815)	(33,790)	(16,172)	46,399	32,293	(4,535)	8,196	(43,826)	82,853	26,251	63,600	(61,958)	14,698	99,858	\$ 204,820	\$ (391,070)		
Cash Flows from Non-Capital and Related Financing Activities																					
Corporate partnership	\$ 635,586	2,190	-	-	-	1,904	-	-	-	-	-	-	-	-	-	-	-	-	4,094	\$ 639,680	
Operating transfers in	-	27,188	52,241	39,011	58,139	65,306	43,187	21,970	53,973	17,856	82,304	35,954	33,630	50,828	68,359	53,411	14,921	718,278	718,278		
Operating transfers out	(30,000)	(10,940)	(62,987)	(44,323)	(34,442)	(56,497)	(84,229)	(25,463)	(7,061)	(27,090)	(36,393)	(83,401)	(31,799)	(62,025)	(22,828)	(29,534)	(69,266)	(688,278)	(718,278)		
Net Cash Provided By (Used In) Non-Capital and Related Financing Activities	\$ 605,586	18,438	(10,746)	(5,312)	23,697	10,713	(41,042)	(3,493)	46,912	(9,234)	45,911	(47,447)	1,831	(11,197)	45,531	23,877	(54,345)	\$ 34,094	\$ 639,680		
Cash Flows from Capital and Related Financing Activities																					
Purchase of capial assets	\$ (7,795)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,795)	
Cash Flows from Investing Activities																					
Interest on investments	\$ 8,313	341	107	325	17	534	173	1,038	354	227	143	-	59	685	-	45	29	4,077	\$ 12,390		
Proceeds from sales and maturities of investments	3,952,000	35,000	-	-	-	37,750	20,000	40,000	-	-	-	-	-	-	-	-	-	132,750	4,084,750		
Purchases of investments	(3,656,257)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,656,257)		
Net Cash Provided By (Used In) Investing Activities	\$ 304,056	35,341	107	325	17	38,284	20,173	41,038	354	227	143	-	59	685	-	45	29	\$ 136,827	\$ 440,883		
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 305,957	43,993	(5,085)	(9,802)	(10,076)	32,825	25,530	69,838	42,731	(811)	2,228	35,406	28,141	53,088	(16,427)	38,620	45,542	\$ 375,741	\$ 681,698		
Cash and Cash Equivalents - August 1	\$ 1,287,064	23,514	121,691	124,870	9,587	50,849	22,713	48,552	59,620	51,601	63,443	72,437	68,194	73,827	101,509	61,769	17,119	\$ 971,295	\$ 2,258,359		
Cash and Cash Equivalents - July 31	\$ 1,593,021	67,507	116,606	115,068	(489)	83,674	48,243	118,390	102,351	50,790	65,671	107,843	96,335	126,915	85,082	100,389	62,661	\$ 1,347,036	\$ 2,940,057		
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities																					
Operating Income (Loss)	\$ (511,799)	(9,786)	8,954	3,964	(33,790)	(11,985)	46,399	1,247	(46,886)	8,571	(47,716)	48,115	(1,137)	14,174	(36,942)	(26,347)	99,858	\$ 16,693	\$ (495,106)		
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities																					
Depreciation	52,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,399		
(Increase) Decrease in accounts receivable	45,678	-	-	-	(225)	-	-	521	-	-	(3,361)	7,180	2,211	4,256	470	-	-	11,052	56,730		
(Increase) Decrease in prepaid expenses	(479)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(479)		
Increase (Decrease) in salaries payable	1,939	-	-	-	-	-	-	-	-	-	(10)	-	-	-	-	-	-	(10)	1,929		
Increase (Decrease) in accounts payable	(417,886)	-	-	-	-	-	-	(875)	-	-	700	574	-	928	2,944	-	-	4,271	(413,615)		
Increase (Decrease) in school expense reimbursement payable	208,969	-	(3,400)	(8,779)	-	(3,962)	-	31,400	42,351	(375)	6,561	26,984	25,177	44,242	(28,430)	41,045	-	172,814	381,783		
Increase (Decrease) in short-term accrued employee benefits payable	8,464	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,464		
Increase (Decrease) in deferred income	(913)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(913)		
Increase (Decrease) in net other post-employment benefits payable	6,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,766		
Increase (Decrease) in retirement benefits payable	10,972	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,972		
Total adjustments	\$ (84,091)	-	(3,400)	(8,779)	-	(4,187)	-	31,046	42,351	(375)	3,890	34,738	27,388	49,426	(25,016)	41,045	-	\$ 188,127	\$ 104,036		
Net Cash Provided By (Used In) Operating Activities	\$ (595,890)	(9,786)	5,554	(4,815)	(33,790)	(16,172)	46,399	32,293	(4,535)	8,196	(43,826)	82,853	26,251	63,600	(61,958)	14,698	99,858	\$ 204,820	\$ (391,070)		

Non-cash Operating Activities
The MSHSL has \$427,065 of non-monetary exchange revenues and expenses

SCHEDULE OF TOURNAMENT REVENUES AND DIRECT EXPENSES
FOR THE YEAR ENDED JULY 31, 2011

	MSHSL OFFICE			ADMINISTRATIVE REGIONS			COMBINED TOTAL		
	Revenues	Direct Expenses	Excess (Deficiency) of Revenues Over Direct Expenses	Revenues	Direct Expenses	Excess (Deficiency) of Revenues Over Direct Expenses	Revenues	Direct Expenses	Excess (Deficiency) of Revenues Over Direct Expenses
Tournament									
Baseball	\$ 85,824	\$ 75,862	\$ 9,962	\$ 245,812	\$ 222,301	\$ 23,511	\$ 331,636	\$ 298,163	\$ 33,473
Boys' basketball	529,671	224,865	304,806	999,960	359,793	640,167	1,529,631	584,658	944,973
Girls' basketball	289,165	199,954	89,211	616,312	331,182	285,130	905,477	531,136	374,341
Cross country running	13,490	31,903	(18,413)	12,649	40,593	(27,944)	26,139	72,496	(46,357)
Football	822,015	325,431	496,584	992,465	517,464	475,001	1,814,480	842,895	971,585
Golf	11,482	46,819	(35,337)	12,630	103,347	(90,717)	24,112	150,166	(126,054)
Girls' gymnastics	47,548	66,362	(18,814)	25,532	48,429	(22,897)	73,080	114,791	(41,711)
Boys' hockey	1,483,738	343,290	1,140,448	641,575	251,312	390,263	2,125,313	594,602	1,530,711
Nordic ski racing	4,149	24,256	(20,107)	1,396	23,784	(22,388)	5,545	48,040	(42,495)
Alpine skiing	4,031	25,201	(21,170)	0	33,103	(33,103)	4,031	58,304	(54,273)
Soccer	165,114	109,878	55,236	255,127	175,425	79,702	420,241	285,303	134,938
Girls' softball	57,424	45,844	11,580	137,093	159,159	(22,066)	194,517	205,003	(10,486)
Boys' swimming	46,450	51,600	(5,150)	51,307	45,707	5,600	97,757	97,307	450
Girls' swimming	49,683	53,619	(3,936)	57,551	51,919	5,632	107,234	105,538	1,696
Boys' tennis	5,117	33,816	(28,699)	3,314	36,410	(33,096)	8,431	70,226	(61,795)
Girls' tennis	6,113	38,085	(31,972)	5,113	58,508	(53,395)	11,226	96,593	(85,367)
Track and field	109,085	127,501	(18,416)	162,464	205,446	(42,982)	271,549	332,947	(61,398)
Girls' volleyball	195,446	145,661	49,785	483,783	262,258	221,525	679,229	407,919	271,310
Wrestling	488,478	223,918	264,560	267,004	242,521	24,483	755,482	466,439	289,043
Synchronized swimming	-	1,212	(1,212)	-	-	-	-	1,212	(1,212)
Adapted soccer	5,422	18,469	(13,047)	-	-	-	5,422	18,469	(13,047)
Adapted floor hockey	13,266	22,716	(9,450)	-	-	-	13,266	22,716	(9,450)
Adapted softball	4,774	17,937	(13,163)	-	-	-	4,774	17,937	(13,163)
Adapted bowling	581	12,472	(11,891)	-	-	-	581	12,472	(11,891)
Debate	-	17,732	(17,732)	-	11,016	(11,016)	-	28,748	(28,748)
Speech	7,487	46,471	(38,984)	49,643	206,521	(156,878)	57,130	252,992	(195,862)
One-act play	14,515	19,005	(4,490)	27,507	67,187	(39,680)	42,022	86,192	(44,170)
Girls hockey	282,627	204,263	78,364	128,590	99,785	28,805	411,217	304,048	107,169
Music	-	-	-	132,144	305,065	(172,921)	132,144	305,065	(172,921)
Cheerleading	-	826	(826)	-	-	-	-	826	(826)
Girls' dance team	199,473	94,560	104,913	74,560	58,116	16,444	274,033	152,676	121,357
Lacrosse	29,079	23,587	5,492	84,006	50,675	33,331	113,085	74,262	38,823
Badminton	-	646	(646)	-	-	-	-	646	(646)
Visual arts	(33)	646	(679)	13,184	30,042	(16,858)	13,151	30,688	(17,537)
Advertising	427,065	427,065	-	-	-	-	427,065	427,065	-
Total	\$ 5,398,279	\$ 3,101,472	\$ 2,296,807	\$ 5,480,721	\$ 3,997,068	\$ 1,483,653	\$ 10,879,000	\$ 7,098,540	\$ 3,780,460

SCHEDULE OF REVENUES AND EXPENSES - STATUTORY BASIS
FOR THE YEARS ENDED JULY 31, 2008, 2009, 2010, and 2011

	MSHSL OFFICE						ADMINISTRATIVE REGIONS						COMBINED TOTALS					
	2008	2009	2010	2011	2008 to 2011		2008	2009	2010	2011	2008 to 2011		2008	2009	2010	2011	2008 to 2011	
					Dollar Difference	Percent Change					Dollar Difference	Percent Change					Dollar Difference	Percent Change
Operating Revenues																		
Tournaments	\$ 4,849,077	\$ 5,172,741	\$ 4,985,901	\$ 5,398,279	\$ 549,202	11.3 %	\$ 5,460,414	\$ 5,721,607	\$ 5,236,910	\$ 5,480,721	\$ 20,307	0.4 %	\$ 10,309,491	\$ 10,894,348	\$ 10,222,811	\$ 10,879,000	\$ 569,509	5.5 %
Television	798,297	822,495	846,670	815,820	17,523	2.2	-	-	-	-	-	-	798,297	822,495	846,670	815,820	17,523	2.2
Membership services	965,550	557,930	557,960	951,790	(13,760)	(1.4)	-	-	-	-	-	-	965,550	557,930	557,960	951,790	(13,760)	(1.4)
Contest officials registration	250,253	325,865	308,554	313,532	63,279	25.3	-	-	-	-	-	-	250,253	325,865	308,554	313,532	63,279	25.3
Sales of handbooks, rule books, and supplies	259,212	260,428	237,998	151,552	(107,660)	(41.5)	-	-	-	-	-	-	259,212	260,428	237,998	151,552	(107,660)	(41.5)
Assessments from schools	-	-	-	-	-	-	133,665	19,500	-	-	(133,665)	(100.0)	133,665	19,500	-	-	(133,665)	(100.0)
Other	137,091	273,033	113,308	142,715	5,624	4.1	27,799	21,835	25,486	26,136	(1,663)	(6.0)	164,890	294,868	138,794	168,851	3,961	2.4
Total Operating Revenues - Schedule 2	\$ 7,259,480	\$ 7,412,492	\$ 7,050,391	\$ 7,773,688	\$ 514,208	7.1 %	\$ 5,621,878	\$ 5,762,942	\$ 5,262,396	\$ 5,506,857	\$ (115,021)	(2.0) %	\$ 12,881,358	\$ 13,175,434	\$ 12,312,787	\$ 13,280,545	\$ 399,187	3.1 %
Operating Expenses																		
Tournaments	\$ 2,924,151	\$ 3,053,386	\$ 3,091,948	\$ 3,101,472	\$ 177,321	6.1 %	\$ 4,061,812	\$ 4,223,808	\$ 4,055,564	\$ 3,997,068	\$ (64,744)	(1.6) %	\$ 6,985,963	\$ 7,277,194	\$ 7,147,512	\$ 7,098,540	\$ 112,577	1.6 %
School expense reimbursement	864,479	672,958	403,770	612,740	(251,739)	(29.1)	616,456	643,049	413,373	520,737	(95,719)	(15.5)	1,480,935	1,316,007	817,143	1,133,477	(347,458)	(23.5)
Membership services																		
Insurance	405,484	398,457	445,637	467,764	62,280	15.4	7,200	7,200	7,200	7,200	-	-	412,684	405,657	452,837	474,964	62,280	15.1
Handbooks, rule books, and supplies	203,539	170,983	172,596	141,340	(62,199)	(30.6)	-	-	-	-	-	-	203,539	170,983	172,596	141,340	(62,199)	(30.6)
Other	128,906	77,990	80,798	48,781	(80,125)	(62.2)	-	-	-	-	-	-	128,906	77,990	80,798	48,781	(80,125)	(62.2)
Fine arts programs	15,185	19,035	12,257	19,692	4,507	29.7	-	-	-	-	-	-	15,185	19,035	12,257	19,692	4,507	29.7
Officials program	192,603	259,107	285,474	167,124	(25,479)	(13.2)	-	-	-	-	-	-	192,603	259,107	285,474	167,124	(25,479)	(13.2)
Committees	15,836	14,584	21,731	20,422	4,586	29.0	94,662	107,857	106,997	102,979	8,317	8.8	110,498	122,441	128,728	123,401	12,903	11.7
Board of directors	94,973	108,841	95,024	81,129	(13,844)	(14.6)	-	-	-	-	-	-	94,973	108,841	95,024	81,129	(13,844)	(14.6)
Salaries	1,571,857	1,693,859	1,741,693	1,858,020	286,163	18.2	405,271	446,757	447,771	472,567	67,296	16.6	1,977,128	2,140,616	2,189,464	2,330,587	353,459	17.9
Employee benefits	666,893	755,195	787,458	936,696	269,803	40.5	30,658	44,659	89,786	94,991	64,333	209.8	697,551	799,854	877,244	1,031,687	334,136	47.9
Insurance	15,276	14,124	14,815	15,463	187	1.2	-	-	-	-	-	-	15,276	14,124	14,815	15,463	187	1.2
Legal	64,730	69,562	74,007	89,648	24,918	38.5	-	-	-	-	-	-	64,730	69,562	74,007	89,648	24,918	38.5
Other professional services	88,099	97,272	87,986	96,236	8,137	9.2	171,128	170,641	178,356	184,182	13,054	7.6	259,227	267,913	266,342	280,418	21,191	8.2
Maintenance	48,239	47,232	79,509	58,225	9,986	20.7	-	-	-	-	-	-	48,239	47,232	79,509	58,225	9,986	20.7
Utilities	45,686	46,493	46,062	46,617	931	2.0	-	-	-	-	-	-	45,686	46,493	46,062	46,617	931	2.0
Postage	80,790	78,220	67,834	63,343	(17,447)	(21.6)	1,382	1,480	886	1,461	79	5.7	82,172	79,700	68,720	64,804	(17,368)	(21.1)
Supplies	30,764	34,021	30,282	31,679	915	3.0	91,813	73,864	74,980	62,948	(28,865)	(31.4)	122,577	107,885	105,262	94,627	(27,950)	(22.8)
Data processing and office equipment	68,035	55,028	115,273	55,173	(12,862)	(18.9)	-	-	-	-	-	-	68,035	55,028	115,273	55,173	(12,862)	(18.9)
Public relations	45,277	68,293	35,925	52,753	7,476	16.5	35,258	40,337	33,968	28,319	(6,939)	(19.7)	80,535	108,630	69,893	81,072	537	0.7
Corporate sponsor commission	61,500	66,575	56,400	53,700	(7,800)	(12.7)	-	-	-	-	-	-	61,500	66,575	56,400	53,700	(7,800)	(12.7)
Television consulting	14,867	14,867	14,867	14,867	-	0.0	-	-	-	-	-	-	14,867	14,867	14,867	14,867	-	-
Depreciation	49,250	54,564	56,133	52,399	3,149	6.4	878	424	343	-	(878)	(100.0)	50,128	54,988	56,476	52,399	2,271	4.5
Other	171,917	170,269	190,357	200,204	28,287	16.5	18,784	25,436	11,879	17,712	(1,072)	(5.7)	190,701	195,705	202,236	217,916	27,215	14.3
Total Operating Expenses - Schedule 2	\$ 7,868,336	\$ 8,040,915	\$ 8,007,836	\$ 8,285,487	\$ 417,151	5.3 %	\$ 5,535,302	\$ 5,785,512	\$ 5,421,103	\$ 5,490,164	\$ (45,138)	(0.8) %	\$ 13,403,638	\$ 13,826,427	\$ 13,428,939	\$ 13,775,651	\$ 372,013	2.8 %
Operating Income (Loss)	\$ (608,856)	\$ (628,423)	\$ (957,445)	\$ (511,799)	\$ 97,057	(15.9) %	\$ 86,576	\$ (22,570)	\$ (158,707)	\$ 16,693	\$ (69,883)	(80.7) %	\$ (522,280)	\$ (650,993)	\$ (1,116,152)	\$ (495,106)	\$ 27,174	5.2 %
Nonoperating Revenues (Expenses)																		
Corporate partnership	\$ 619,000	\$ 737,375	\$ 715,429	\$ 635,586	\$ 16,586	2.7 %	\$ -	\$ -	\$ -	\$ 4,094	\$ 4,094	100.0 %	\$ 619,000	\$ 737,375	\$ 715,429	\$ 639,680	\$ 20,680	3.3 %
Interest	121,781	60,902	16,610	7,910	(113,871)	(93.5)	18,140	14,180	6,869	3,107	(15,033)	(82.9)	139,921	75,082	23,479	11,017	(128,904)	(92.1)
Total Nonoperating Revenue (Expenses) - Schedule 2	\$ 740,781	\$ 798,277	\$ 732,039	\$ 643,496	\$ (97,285)	(13.1) %	\$ 18,140	\$ 14,180	\$ 6,869	\$ 7,201	\$ (10,939)	(60.3) %	\$ 758,921	\$ 812,457	\$ 738,908	\$ 650,697	\$ (108,224)	(14.3) %
Income Before Transfers	\$ 131,925	\$ 169,854	\$ (225,406)	\$ 131,697	\$ (228)	(0.2) %	\$ 104,716	\$ (8,390)	\$ (151,838)	\$ 23,894	\$ (80,822)	(77.2) %	\$ 236,641	\$ 161,464	\$ (377,244)	\$ 155,591	\$ (81,050)	(34.3) %
Operating Transfers In	-	-	-	-	-	-	675,588	741,217	749,226	718,412	42,824	6.3	675,588	741,217	749,226	718,412	42,824	6.3
Operating Transfers Out	-	(30,000)	(77,000)	(30,000)	(30,000)	(100.0)	(675,588)	(711,217)	(672,226)	(688,412)	(12,824)	1.9	(675,588)	(741,217)	(749,226)	(718,412)	(42,824)	6.3
Change in Net Assets - Schedule 2	\$ 131,925	\$ 139,854	\$ (302,406)	\$ 101,697	\$ (30,228)	(22.9) %	\$ 104,716	\$ 21,610	\$ (74,838)	\$ 53,894	\$ (50,822)	(48.5) %	\$ 236,641	\$ 161,464	\$ (377,244)	\$ 155,591	\$ (81,050)	(34.3) %
Capital outlay																		
Furniture and equipment	\$ 7,618	\$ 40,891	\$ -	\$ 7,795	\$ 177	2.3 %	\$ -	\$ -	\$ -	\$ -	\$ -	- %	\$ 7,618	\$ 40,891	\$ -	\$ 7,795	\$ 177	2.3 %
Computer equipment	-	-	-	-	-	-	-	404	-	-	-	-	-	404	-	-	-	-
Total Capital Outlay	\$ 7,618	\$ 40,891	\$ -	\$ 7,795	\$ 177	2.3 %	\$ -	\$ 404	\$ -	\$ -	\$ -	- %	\$ 7,618	\$ 41,295	\$ -	\$ 7,795	\$ 177	2.3 %

