

**UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS**

Independent Auditors' Report and  
Financial Statement

For the Year Ended June 30, 2013



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Unified School District No. 386  
Madison, Kansas 66860

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of Unified School District No. 386, Madison, Kansas, as of and for the year ended June 30, 2013 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District No. 386 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 386 as of June 30, 2013, or changes in financial position and cash flows for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 386, Madison, Kansas, as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2013 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedule of regulatory basis receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2013 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, 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 2013 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2012 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2012 basic financial statement upon which we rendered an unqualified opinion dated November 9, 2012. The 2012 basic financial statement and our accompanying report are not presented herein, but are available in electronic format from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2012 comparative information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 comparative information was subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 comparative information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Bird & Company, Chartered*

El Dorado, Kansas  
December 5, 2013

**UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS**

**FOR THE YEAR ENDED JUNE 30, 2013**

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**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds:</b>							
<b>General Funds:</b>							
General	\$ -	\$ -	\$ 2,069,628	\$ 2,069,628	\$ -	\$ 143,832	\$ 143,832
Supplemental general	37,390	-	672,831	670,864	39,357	10,859	50,216
<b>Special Purpose Funds:</b>							
At risk (4 year old)	-	-	19,750	19,750	-	-	-
At risk (K-12)	46,974	-	219,811	254,048	12,737	33,247	45,984
Capital outlay	256,503	-	50,487	132,760	174,230	61,450	235,680
Driver training	9,476	-	1,395	5,078	5,793	-	5,793
Food service	54,558	-	192,272	196,761	50,069	21,711	71,780
Professional development	15,000	-	2,259	17,139	120	690	810
Special education	40,000	-	372,118	372,118	40,000	-	40,000
Vocational education	-	-	28,649	28,649	-	-	-
KPERS special retirement	-	-	142,578	142,578	-	-	-
Contingency reserve	202,646	-	-	-	202,646	-	202,646
Gifts and grants	2,326	-	3,558	3,964	1,920	-	1,920
Textbook & student material revolv.	11,942	-	9,278	12,478	8,742	3,488	12,230
Title I, Part A - Improving Acad.	-	-	48,459	48,459	-	8,160	8,160
Title II, Part A - Teacher quality	-	-	18,480	18,480	-	3,080	3,080
District activity funds	3,782	-	19,219	21,064	1,937	-	1,937
<b>Capital Projects Funds:</b>							
Capital Project - QZAB	2	-	-	-	2	-	2
<b>Trust Funds:</b>							
Expendable Trusts	750	-	500	417	833	-	833
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 681,349</b>	<b>\$ -</b>	<b>\$ 3,871,272</b>	<b>\$ 4,014,235</b>	<b>\$ 538,386</b>	<b>\$ 286,517</b>	<b>\$ 824,903</b>

**Composition of Cash:**

Petty Cash	\$ 2,000
Checking and Money Market-First Community Bank	495,723
Certificate of deposit-First Community Bank	325,000
BOK Financial - BKC Cash fund I	2
Activity accounts-First Community Bank	22,384
Scholarship account-First Community Bank	833
<b>Total Cash</b>	<b>845,942</b>
Agency Funds per Statement 4	(21,039)
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 824,903</b>

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2013

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Municipal Financial Reporting Entity**

Unified School District No. 386, Madison, Kansas, is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents USD No. 386 (the District), a municipality.

**Regulatory Basis Fund Types**

**General Fund** - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Fund** – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Trust Fund** – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency Fund** – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

**Basis of Accounting**

**Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.** The *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in

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**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2013**

regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

**Reimbursements**

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.

**Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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 such budget amendments for this year.

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**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2013**

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

A legal operating budget is not required for capital projects funds, trust funds and the following special purpose funds: Contingency Reserve, Gifts and Grants, Textbook & Student Material Revolving, Title I, Title II and 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: COMPLIANCE WITH KANSAS STATUTES**

Management is not aware of any Kansas statutory violations for the fiscal year ended June 30, 2013.

**NOTE 3: DEPOSITS AND INVESTMENTS**

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

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**FOR THE YEAR ENDED JUNE 30, 2013**

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 District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not have designated "peak periods" during the fiscal year ended June 30, 2013. All deposits were legally secured at June 30, 2013.

At June 30, 2013, the District's carrying amount of deposits was \$845,941 and the bank balance was \$773,951. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$523,951 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**NOTE 4: IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$158,110 subsequent to June 30, 2013, and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2013.

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MADISON, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE 5: INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General	Professional Development	K.S.A. 72-6428	\$ 2,259
General	Special Education	K.S.A. 72-6428	314,618
General	Vocational Education	K.S.A. 72-6428	15,223
General	At Risk (4 Year Old)	K.S.A. 72-6428	19,750
General	At Risk (K-12)	K.S.A. 72-6428	219,811
Supplemental General	Food Service	K.S.A. 72-6433	51,478
Supplemental General	Special Education	K.S.A. 72-6433	54,934
Supplemental General	Vocational Education	K.S.A. 72-6433	12,000

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

*Plan Description.* Unified School District No. 386 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, etc. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members. 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 statutory required employer's share.

UNIFIED SCHOOL DISTRICT NO. 386  
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NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2013

**NOTE 7: OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

**Other Post-Employment Benefits**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. The District pays \$300.00 per month toward the health insurance premium for one retired certified employee who met certain conditions as specified in the negotiated agreement applicable to the time period in which she retired. The benefits are discontinued after five years or when the participant qualifies for Medicare, whichever comes first. The District paid retiree health insurance benefit is not available for those electing to retire after May 30, 2010. During the year ended June 30, 2013, the District paid \$3,600 in premiums for the retiree on the District's health insurance policy. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

**Compensated Absences**

Sick leave is available to certified and classified staff and is issued according to the individuals work day. Full-time employees will accrue fifteen days of sick leave a year accumulative to 80 days. Excess sick leave beyond 80 days is paid to the employee on the June payroll each year. Certified staff will receive compensation of \$30 for each day of excess sick leave and classified staff will be paid \$20 for each excess sick leave day. In addition, upon retirement, teachers and classified staff with a minimum of fifteen years of service with U.S.D. No. 386 will be given a stipend of \$5 per day to be paid for their sick leave accumulation not to exceed 80 days.

**Longevity Pay**

Any teacher who has completed ten or more years of service in the employment of USD 386 and meets the education requirements shall be paid a longevity check. Payment is made in the month of December as a separate check. The longevity amount is calculated as a flat dollar amount according to the following table:

<u>Education</u>	<u>Years in USD 386</u>	<u>Flat Rate/Year</u>
B.S. + 10	10 years and up	\$30.00
M.S.	10 years and up	\$35.00
M.S. + 10	10 years and up	\$45.00

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MADISON, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE 8: LONG-TERM DEBT**

Changes in long-term liabilities for the District for the year ended June 30, 2013, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Certificates of Participation:										
Series 2011 (Note 10)	0.0%	June 21, 2011	\$600,000	06/21/2023	\$600,000	\$ -	\$ -		\$600,000	\$ -
Total contractual indebtedness					\$600,000	-	-	-	\$600,000	-
Total Long-Term Debt					\$600,000	\$ -	\$ -	\$ -	\$600,000	\$ -

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019-2023</u>	<u>Total</u>
Principal:							
Certificates of Participation	\$ -	\$ -	\$ -	\$ -	\$ -	\$600,000	\$600,000
Total Principal	-	-	-	-	-	600,000	600,000
Interest:							
Certificates of Participation	-	-	-	-	-	-	-
Total Interest	-	-	-	-	-	-	-
Total Principal and Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$600,000	\$600,000

**NOTE 9: LEASE PURCHASE AGREEMENTS**

The District is leasing its real property located in Greenwood County, Kansas to Southwest Trust Company (the Trustee) for a term commencing on June 21, 2011 and ending on June 21, 2023. Under this lease, the Trustee provided \$600,000 to acquire, construct and equip energy improvements to the existing Madison elementary and Madison Junior/Senior High School including boiler, lighting, mechanical, plumbing, other energy efficient upgrades and resurfacing of the track.

Southwest Trust Company will then lease the real property and improvements to the District pursuant to a Lease Purchase Agreement dated June 21, 2011. Under the Lease Purchase Agreement, the District is obligated to make payments to the Trustee (the Basic Rent Payments).

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**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2013**

The agreement requires a basic rent payment in the amount of \$600,000 with a due date of June 21, 2023. The annual average effective interest rate of the Lease Purchase is 0%. The leases each provide for early terminations in the event of the happening of certain contingencies. The Lease contains various other covenants, terms and conditions. Copies of these documents are on file in the office of the Clerk of the District. The Lease Purchase Agreement has been designated by the District as a Qualified Zone Academy Bond pursuant to Sections 54A and 54E of the Internal Revenue Code, pursuant to an allocation received from the Kansas Department of Education.

The District entered a two year lease with Apple, Inc. on June 11, 2012 for 290 Apple I-Pads. The agreement requires two annual payments of \$47,097 for a total lease commitment of \$94,194 and has a fair market value purchase clause at the end of the rental period. The first payment of \$47,097 was paid during the fiscal year ended June 30, 2012 and the remaining rent payment of \$47,097 was paid during the fiscal year ended June 30, 2013.

**NOTE 10: CERTIFICATES OF PARTICIPATION, SERIES 2011**

The District issued Certificates of Participation, Series 2011, in the aggregate principal amount of \$600,000 to Citizens State Bank, Madison, Kansas for the purchase price of \$600,000 on June 21, 2011 and the proceeds were immediately deposited with Southwest Trust Company for the purpose of providing funds for construction of the Improvements. These Certificates of Participation, Series 2011, evidence interests in basic rent payments to be made by the District, pursuant to the Lease Purchase Agreement designated as Energy Qualified Zone Academy Bonds (QZABs), dated June 21, 2011 with Southwest Trust Company.

Pursuant to the Lease Purchase Agreement (see Note 9), the proceeds of the Series 2011 Certificates together with other available funds of the District are to be applied (i) to acquire, construct and equip energy improvements to the existing Madison elementary and Madison Junior/Senior High School including boiler, lighting, mechanical, plumbing and other energy efficient upgrades, and (ii) to pay the costs of issuance of the Certificates. The improvements financed with the proceeds of the Series 2011 Certificates are hereinafter referred to as the "Improvements."

The Series 2011 Certificates are payable solely from the Basic Rent Payments made by the District under the Lease Purchase Agreement as specified above in Note 9. The Series 2011 Certificates are further secured by the Improvements under the Lease Purchase Agreement.

The Declaration of Trust by Southwest Trust Company for the Certificates of Participation, Series 2011, requires a Series 2011 Sinking Fund Account. It is to be established by the District, held with the Purchaser (Citizens State Bank) and the District agrees to make a deposit on June 21 of

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**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2013**

each year, commencing June 21, 2012, in the amount of \$50,000. The District agrees to direct the purchaser to transfer amounts on deposit in the Series 2011 Sinking Fund to the Trustee at any time basic rent is due under the lease and the amounts transferred to the Trustee shall be treated as payments of basic rent under the lease. The District agrees not to make any withdrawals from the Sinking Fund unless a Directive shall have been obtained to consent to such withdrawal.

The following deposits have been made to the Sinking Fund as of June 30, 2013:

<u>Fiscal Year Ended</u>	<u>Deposit</u>
June 30, 2012	\$50,000
June 30, 2013	\$50,000

**NOTE 11: 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 for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**NOTE 12: FEDERAL GRANT CONTINGENCY**

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 13: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 5, 2013, which is the date the financial statement was available to be issued.

**NOTE 14: RELATED PARTY TRANSACTIONS**

During the fiscal year ended June 30, 2013, the District employed an immediate family member that was related to two of the District's board members as a building secretary.

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Regulatory-Required  
Supplementary Information

For the Year Ended June 30, 2013

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**UNIFIED SCHOOL DISTRICT NO. 386  
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**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
<b>Governmental Type Funds:</b>						
<b>General Funds:</b>						
General	2,117,041	(54,500)	7,087	2,069,628	2,069,628	-
Supplemental general	607,875	-	62,989	670,864	670,864	-
<b>Special Purpose Funds:</b>						
At Risk (4 year old)	19,750	-	-	19,750	19,750	-
At Risk (K-12)	275,000	-	-	275,000	254,048	(20,952)
Capital outlay	275,000	-	-	275,000	132,760	(142,240)
Driver training	9,500	-	-	9,500	5,078	(4,422)
Food service	275,000	-	-	275,000	196,761	(78,239)
Professional development	21,000	-	-	21,000	17,139	(3,861)
Special education	400,000	-	-	400,000	372,118	(27,882)
Vocational education	50,000	-	-	50,000	28,649	(21,351)
KPERs Special Retirement	176,396	-	-	176,396	142,578	(33,818)

**UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS**

**GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)**

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
<b>Cash Receipts:</b>				
Ad valorem tax	\$ 248,402	\$ 264,297	\$ 239,420	\$ 24,877
Delinquent tax	1,526	3,576	6,408	(2,832)
Mineral tax	2,981	3,470	-	3,470
State aid	1,537,010	1,512,418	1,577,124	(64,706)
State aid - Special education	262,771	278,780	294,089	(15,309)
Federal funds - Education Jobs	957	-	-	-
Other local revenue	14,377	7,087	-	7,087
<b>Total Cash Receipts</b>	<b>2,068,024</b>	<b>2,069,628</b>	<b>\$ 2,117,041</b>	<b>\$ (47,413)</b>
<b>Expenditures:</b>				
Instruction	898,110	971,748	987,637	(15,889)
Instruction - Education Jobs	957	-	-	-
Student support services	90,753	42,720	28,360	14,360
Instructional support staff	19,759	11,012	17,500	(6,488)
General administration	154,720	159,028	161,006	(1,978)
School administration	166,137	183,844	189,283	(5,439)
Operations & maintenance	127,047	128,930	128,828	102
Student transportation serv	62,657	-	28,088	(28,088)
Other student transportation svcs	1,092	685	1,500	(815)
Transfer to:				
Professional development	5,924	2,259	6,000	(3,741)
Special education	262,771	314,618	294,089	20,529
Vocational education	8,546	15,223	25,000	(9,777)
At Risk (4 year old)	19,050	19,750	19,750	-
At Risk (K-12)	250,528	219,811	230,000	(10,189)
Adjustment to Comply with Legal Max	-	-	(54,500)	54,500
Legal General Fund Budget	2,068,051	2,069,628	2,062,541	7,087
Adjustment for Qualifying Budget Credits	-	-	7,087	(7,087)
<b>Total Expenditures</b>	<b>2,068,051</b>	<b>2,069,628</b>	<b>\$ 2,069,628</b>	<b>\$ -</b>

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

GENERAL FUND (Continued)  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts Over (Under) Expenditures	(27)	-		
Unencumbered Cash, Beginning	27	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

SUPPLEMENTAL GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
<b>Cash Receipts:</b>				
Ad valorem tax	\$ 307,755	\$ 321,569	\$ 297,119	\$ 24,450
Delinquent tax	3,275	5,712	7,944	(2,232)
Vehicle tax	43,762	46,403	42,940	3,463
Recreational vehicle tax	740	617	741	(124)
Mineral production tax	383	329	-	329
State aid	219,964	235,212	238,190	(2,978)
Federal funds - Carl Perkins	900	-	-	-
Other local revenue	50,629	62,989	-	62,989
<b>Total Cash Receipts</b>	<b>627,408</b>	<b>672,831</b>	<b>\$ 586,934</b>	<b>\$ 85,897</b>
<b>Expenditures:</b>				
Instruction	77,062	146,563	127,142	19,421
Student support services	59,714	47,128	20,000	27,128
Instructional support staff	1,516	15,614	15,000	614
Operations & maintenance	247,803	227,587	210,600	16,987
Student transportation services	28,759	52,351	32,000	20,351
Vehicle operating services	30,263	30,618	7,000	23,618
Vehicle services & maintenance services	38,668	32,591	32,000	591
Transfer to:				
Food service	34,982	51,478	55,000	(3,522)
Special education	61,467	54,934	84,133	(29,199)
Vocational education	19,995	12,000	25,000	(13,000)
Legal Supplemental General Fund Budget	600,229	670,864	607,875	62,989
Adjustment for Qualifying Budget Credits	-	-	62,989	(62,989)
<b>Total Expenditures</b>	<b>600,229</b>	<b>670,864</b>	<b>\$ 670,864</b>	<b>\$ -</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>27,179</b>	<b>1,967</b>		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

SUPPLEMENTAL GENERAL FUND (Continued)  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Unencumbered Cash, Beginning	10,211	37,390		
Unencumbered Cash, Ending	\$ 37,390	\$ 39,357		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

AT RISK FUND (4 YEAR OLD)  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ 19,050	\$ 19,750	\$ 19,750	\$ -
Total Cash Receipts	19,050	19,750	\$ 19,750	\$ -
Expenditures:				
Instruction	19,050	19,750	19,750	-
Total Expenditures	19,050	19,750	\$ 19,750	\$ -
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

AT RISK FUND (K-12)  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ 250,528	\$ 219,811	\$ 230,000	\$ (10,189)
Other local revenue	1,421	-	-	-
Total Cash Receipts	<u>251,949</u>	<u>219,811</u>	<u>\$ 230,000</u>	<u>\$ (10,189)</u>
Expenditures:				
Instruction	245,000	254,048	275,000	(20,952)
Total Expenditures	<u>245,000</u>	<u>254,048</u>	<u>\$ 275,000</u>	<u>\$ (20,952)</u>
Cash Receipts Over (Under) Expenditures	6,949	(34,237)		
Unencumbered Cash, Beginning	<u>40,025</u>	<u>46,974</u>		
Unencumbered Cash, Ending	<u>\$ 46,974</u>	<u>\$ 12,737</u>		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

CAPITAL OUTLAY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts:				
Interest	\$ 817	\$ 783	\$ -	\$ 783
Other local revenue	1,203	49,704	-	49,704
Total Cash Receipts	<u>2,020</u>	<u>50,487</u>	<u>\$ -</u>	<u>\$ 50,487</u>
Expenditures:				
Transportation	-	49,490	100,000	(50,510)
Building Improvements	41,077	83,270	-	83,270
Other Support Services	-	-	175,000	(175,000)
Total Expenditures	<u>41,077</u>	<u>132,760</u>	<u>\$ 275,000</u>	<u>\$ (142,240)</u>
Cash Receipts Over (Under) Expenditures	(39,057)	(82,273)		
Unencumbered Cash, Beginning	<u>295,560</u>	<u>256,503</u>		
Unencumbered Cash, Ending	<u>\$ 256,503</u>	<u>\$ 174,230</u>		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

DRIVER TRAINING FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts:				
State aid	\$ 2,162	\$ 1,395	\$ 1,350	\$ 45
Total Cash Receipts	<u>2,162</u>	<u>1,395</u>	<u>\$ 1,350</u>	<u>\$ 45</u>
Expenditures:				
Instruction	27	3,706	5,500	(1,794)
Vehicle operations, maintenance services	2,659	1,372	4,000	(2,628)
Total Expenditures	<u>2,686</u>	<u>5,078</u>	<u>\$ 9,500</u>	<u>\$ (4,422)</u>
Cash Receipts Over (Under) Expenditures	(524)	(3,683)		
Unencumbered Cash, Beginning	<u>10,000</u>	<u>9,476</u>		
Unencumbered Cash, Ending	<u>\$ 9,476</u>	<u>\$ 5,793</u>		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

FOOD SERVICE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
<b>Cash Receipts:</b>				
Student sales - lunch	\$ 47,202	\$ 40,601	\$ 36,916	\$ 3,685
Student sales - breakfast	-	-	10,116	(10,116)
Adult sales	4,380	4,242	15,612	(11,370)
Miscellaneous	8,271	8,090	10,000	(1,910)
State aid	1,507	1,424	1,392	32
Federal funds	90,483	86,437	86,206	231
Transfer from Supplemental general	34,982	51,478	55,000	(3,522)
<b>Total Cash Receipts</b>	<b>186,825</b>	<b>192,272</b>	<b>\$ 215,242</b>	<b>\$ (22,970)</b>
<b>Expenditures:</b>				
Operations and maintenance	16,936	16,949	18,295	(1,346)
Food service operation	175,615	179,812	256,705	(76,893)
<b>Total Expenditures</b>	<b>192,551</b>	<b>196,761</b>	<b>\$ 275,000</b>	<b>\$ (78,239)</b>
Cash Receipts Over (Under) Expenditures	(5,726)	(4,489)		
Unencumbered Cash, Beginning	60,284	54,558		
Unencumbered Cash, Ending	\$ 54,558	\$ 50,069		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

PROFESSIONAL DEVELOPMENT FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ 5,924	\$ 2,259	\$ 6,000	\$ (3,741)
Total Cash Receipts	5,924	2,259	\$ 6,000	\$ (3,741)
Expenditures:				
Instructional support staff	10,039	16,119	21,000	(4,881)
Other supplemental service	980	1,020	-	1,020
Total Expenditures	11,019	17,139	\$ 21,000	\$ (3,861)
Cash Receipts Over (Under) Expenditures	(5,095)	(14,880)		
Unencumbered Cash, Beginning	20,000	15,000		
Prior Year Cancelled Encumbrances	95	-		
Unencumbered Cash, Ending	\$ 15,000	\$ 120		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

SPECIAL EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts:				
Transfer from Supplemental general	\$ 61,467	\$ 54,934	\$ 84,133	\$ (29,199)
Transfer from General	262,771	314,618	294,089	20,529
Other local revenue	1,204	2,566	-	2,566
..... Total Cash Receipts .....	<u>325,442</u>	<u>372,118</u>	<u>\$ 378,222</u>	<u>\$ (6,104)</u>
Expenditures:				
Instruction	322,565	354,593	358,122	(3,529)
School administration	-	875	15,000	(14,125)
Vehicle operating services	2,877	16,650	26,878	(10,228)
Total Expenditures	<u>325,442</u>	<u>372,118</u>	<u>\$ 400,000</u>	<u>\$ (27,882)</u>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>40,000</u>	<u>40,000</u>		
Unencumbered Cash, Ending	<u>\$ 40,000</u>	<u>\$ 40,000</u>		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

VOCATIONAL EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
Cash Receipts:				
Transfer from General	\$ 8,546	\$ 15,223	\$ 25,000	\$ (9,777)
Transfer from Supplemental general	19,995	12,000	25,000	(13,000)
Federal funds - Carl Perkins	1,686	1,426	-	1,426
Total Cash Receipts	<u>30,227</u>	<u>28,649</u>	<u>\$ 50,000</u>	<u>\$ (21,351)</u>
Expenditures:				
Instruction	31,582	28,649	50,000	(21,351)
Total Expenditures	<u>31,582</u>	<u>28,649</u>	<u>\$ 50,000</u>	<u>\$ (21,351)</u>
Cash Receipts Over (Under) Expenditures	(1,355)	-		
Unencumbered Cash, Beginning	814	-		
Prior Year Cancelled Encumbrances	541	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013		Variance- Over (Under)
		Actual	Budget	
<b>Cash Receipts:</b>				
State aid	\$ 159,901	\$ 142,578	\$ 176,396	\$ (33,818)
<b>Total Cash Receipts</b>	<b>159,901</b>	<b>142,578</b>	<b>\$ 176,396</b>	<b>\$ (33,818)</b>
<b>Expenditures:</b>				
Instruction	100,738	89,824	110,046	(20,222)
Student support services	9,594	9,647	11,000	(1,353)
Instructional support staff	3,198	3,944	4,000	(56)
General administration	9,594	7,462	10,100	(2,638)
School administration	11,193	9,981	12,000	(2,019)
Operations & maintenance	7,995	7,129	9,500	(2,371)
Student transportation services	9,594	7,462	10,750	(3,288)
Food service	7,995	7,129	9,000	(1,871)
<b>Total Expenditures</b>	<b>159,901</b>	<b>142,578</b>	<b>\$ 176,396</b>	<b>\$ (33,818)</b>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

CAPITAL PROJECT FUND - QZAB  
STATEMENT OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013 Actual
Cash Receipts:		
Investment income	\$ 43	\$ -
Total Cash Receipts	<u>43</u>	<u>-</u>
Expenditures:		
Energy improvements project	41	-
Total Expenditures	<u>41</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	2	-
Unencumbered Cash, Beginning	<u>-</u>	<u>2</u>
Unencumbered Cash, Ending	<u>\$ 2</u>	<u>\$ 2</u>

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

CONTINGENCY RESERVE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013 Actual
Cash Receipts:		
Total Cash Receipts	\$ -	\$ -
Expenditures:		
Total Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	202,646	202,646
Unencumbered Cash, Ending	\$ 202,646	\$ 202,646

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

GIFTS AND GRANTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013 Actual
Cash Receipts:		
Contributions	\$ 9,530	\$ 3,558
Total Cash Receipts	<u>9,530</u>	<u>3,558</u>
Expenditures:		
Instruction	8,487	3,964
Total Expenditures	<u>8,487</u>	<u>3,964</u>
Cash Receipts Over (Under) Expenditures	1,043	(406)
Unencumbered Cash, Beginning	<u>1,283</u>	<u>2,326</u>
Unencumbered Cash, Ending	<u>\$ 2,326</u>	<u>\$ 1,920</u>

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013 Actual
Cash Receipts:		
Material and rental fees	\$ 11,090	\$ 9,278
Total Cash Receipts	<u>11,090</u>	<u>9,278</u>
Expenditures:		
Instruction	11,392	12,478
Total Expenditures	<u>11,392</u>	<u>12,478</u>
Cash Receipts Over (Under) Expenditures	(302)	(3,200)
Unencumbered Cash, Beginning	<u>12,244</u>	<u>11,942</u>
Unencumbered Cash, Ending	<u>\$ 11,942</u>	<u>\$ 8,742</u>

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

TITLE I, PART A - IMPROVING THE ACADEMIC ACHIEVEMENT OF DISADVANTAGED FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013 Actual
Cash Receipts:		
Federal funds	\$ 50,620	\$ 48,459
Total Cash Receipts	<u>50,620</u>	<u>48,459</u>
Expenditures:		
Instruction	50,620	48,459
Total Expenditures	<u>50,620</u>	<u>48,459</u>
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

TITLE II, PART A - TEACHER QUALITY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013 Actual
Cash Receipts:		
Federal funds	\$ 18,565	\$ 18,480
Total Cash Receipts	<u>18,565</u>	<u>18,480</u>
Expenditures:		
Instruction	<u>18,565</u>	<u>18,480</u>
Total Expenditures	<u>18,565</u>	<u>18,480</u>
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS

EXPENDABLE TRUST FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	2012 Actual	2013 Actual
Cash Receipts:		
Donations	\$ 750	\$ 500
Total Cash Receipts	<u>750</u>	<u>500</u>
Expenditures:		
Scholarships	500	417
Total Expenditures	<u>500</u>	<u>417</u>
Cash Receipts Over (Under) Expenditures	250	83
Unencumbered Cash, Beginning	<u>500</u>	<u>750</u>
Unencumbered Cash, Ending	<u>\$ 750</u>	<u>\$ 833</u>

**UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS**

**AGENCY FUNDS  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>STUDENT ORGANIZATION FUNDS</b>				
<b>MADISON HIGH SCHOOL</b>				
Art Club	\$ 81	\$ 199	\$ 153	\$ 127
Bake Shop	1,458	324	274	1,508
Band	1,033	679	856	856
Beautification	-	302	-	302
Economics	10	-	-	10
Elementary Fund	118	580	550	148
Flower Fund	186	125	113	198
Gifted	4	-	-	4
In House Training	1,038	2,118	2,341	815
Library	113	43	-	156
Best Team	68	-	-	68
Madison Invitational Music Festival	832	1,994	1,504	1,322
Odyssey of the Mind	1,186	-	-	1,186
Physics	-	608	592	16
Play Performance	1,682	1,111	1,434	1,359
Sales Tax	58	4,557	4,578	37
Student Activities	277	1,478	1,126	629
Student Assistance	69	100	10	159
Student Athletics	3,537	16,346	14,430	5,453
STUGO	1,119	3,749	3,851	1,017
TSA - Technology Student Association	50	-	-	50
Vocal Music Fund	-	1,301	881	420
Interest	44	30	-	74
Class of 2010	224	-	224	-
Class of 2011	27	-	27	-
Class of 2012	63	-	63	-
Class of 2013	1,873	28,358	30,166	65
Class of 2014	2,490	3,445	4,763	1,172
Class of 2015	1,244	1,449	622	2,071
Class of 2016	181	884	137	928
Class of 2017	72	360	78	354
Class of 2018	-	130	-	130
	<u>19,137</u>	<u>70,270</u>	<u>68,773</u>	<u>20,634</u>

**UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS**

**AGENCY FUNDS  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>STUDENT ORGANIZATION FUNDS</b>				
<b>MADISON ELEMENTARY SCHOOL</b>				
Music	12	522	522	12
Sales Tax	-	76	76	-
Student Publications	-	2,423	2,423	-
Student Welfare	449	1,056	1,112	393
	<u>461</u>	<u>4,077</u>	<u>4,133</u>	<u>405</u>
<b>Total</b>	<u>\$ 19,598</u>	<u>\$ 74,347</u>	<u>\$ 72,906</u>	<u>\$ 21,039</u>

**UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS**

**DISTRICT ACTIVITY FUNDS  
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2013**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts:</b>							
Athletics -							
Madison JH/SH	\$ 3,782	\$ -	\$ 19,189	\$ 21,064	\$ 1,907	\$ -	\$ 1,907
Subtotal Gate Receipts	3,782	-	19,189	21,064	1,907	-	1,907
<b>School Projects:</b>							
Madison JH/SH	-	-	30	-	30	-	30
Subtotal School Projects	-	-	30	-	30	-	30
<b>Total District Activity Funds</b>	<b>\$ 3,782</b>	<b>\$ -</b>	<b>\$ 19,219</b>	<b>\$ 21,064</b>	<b>\$ 1,937</b>	<b>\$ -</b>	<b>\$ 1,937</b>