

**UNIFIED SCHOOL DISTRICT NUMBER 408
MARION, KANSAS**

FINANCIAL STATEMENT

FISCAL YEAR ENDED JUNE 30, 2013

**Unified School District Number 408
Marion, Kansas**

Fiscal Year Ended June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District 408
101 North Thorp
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We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Marion USD 408, Marion, Kansas, a Municipality, 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 this 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 Marion USD 408 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 Marion USD 408 as of June 30, 2013, or changes in financial position and cash flows thereof 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 Marion USD 408 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, schedules 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 October 1, 2012. The 2012 basic financial statement and our accompanying report are not presented herein, but are available in electronic form 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 directly 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.

Samuel L. Jansen, Harold & Lloyd, LLC

Certified Public Accountants

September 11, 2013

Unified School District Number 408
Marion, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2013

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUNDS						
General	\$ -	\$ 4,216,043	\$ 4,216,043	\$ -	\$ 54,597	\$ 54,597
Supplemental General	7,110	1,014,750	940,000	81,860	-	81,860
SPECIAL PURPOSE FUNDS						
At Risk (K-12)	-	430,000	430,000	-	-	-
Capital Outlay	642,953	12,421	63,933	591,441	40,632	632,073
Driver Training	12,187	6,993	6,738	12,442	-	12,442
Food Service	29,995	355,820	355,264	30,551	97	30,648
Parent Education	-	7,055	7,055	-	-	-
Professional Development	12,250	-	10,646	1,604	-	1,604
Special Education	283,374	926,562	1,042,292	167,644	-	167,644
Kansas Middle School After School Activity Grant	-	10,301	10,301	-	-	-
Vocational Education	113,120	189,236	276,769	25,587	937	26,524
KPERS Special Retirement Contribution	-	284,366	284,366	-	-	-
Contingency Reserve	148,705	-	-	148,705	-	148,705
Textbook and Student Materials Revolving	10,683	30,715	9,641	31,757	-	31,757
Title I	-	85,217	85,217	-	-	-
Title II-A Teacher Quality	-	22,449	22,449	-	-	-
Grants	-	37,317	35,717	1,600	-	1,600
Gate Receipts	5,275	40,346	43,320	2,301	-	2,301
BOND AND INTEREST FUND						
Bond and Interest	673,219	660,330	641,387	692,162	-	692,162
TRUST FUNDS						
Pippin Scholarship	21,528	569	350	21,747	-	21,747
Darrow Scholarship	10,338	129	100	10,367	-	10,367
Hett Scholarship	17,743	223	125	17,841	-	17,841
MHS Alumni Scholarship	7,400	2,781	100	10,081	-	10,081
Fruechting Memorial Scholarship	61,766	759	2,000	60,525	-	60,525
MHS Coaches Scholarship	14,894	5,671	2,344	18,221	-	18,221
Stephen Bowers Scholarship	75	-	-	75	-	75
Total Reporting Entity (Excluding Agency Funds)	\$ 2,072,615	\$ 8,340,053	\$ 8,486,157	\$ 1,926,511	\$ 96,263	\$ 2,022,774

COMPOSITION OF CASH

Marion National Bank - NOW account	\$ 160,407
Central National Bank - Scholarship Certificate of Deposit	138,856
Central National Bank - Performance Checking	1,752,112
Central National Bank - High School Activity Fund	26,471
Tampa State Bank - NOW account	29,433
Tampa State Bank - Middle School Activity Fund	3,868
Total Cash	2,111,147
Agency Funds per Schedule 3	(88,373)
Total Reporting Entity (Excluding Agency Funds)	\$ 2,022,774

UNIFIED SCHOOL DISTRICT NUMBER 408

MARION, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

Unified School District Number 408 is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District Number 408 (the District), a municipality.

(b) 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 Funds—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 the 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, county treasurer tax collection accounts, etc.).

(c) 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 regulatory basis revenues and regulatory based 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America (cont.)

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 District to use the regulatory basis of accounting.

(d) 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 provided for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for this year.

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 project funds, trust funds and the following special purpose funds: Kansas Middle School After School Activity Grant, Contingency Reserve, Textbook and Student Materials Revolving, Title I, Title II-A Teacher Quality, Grants, and Gate Receipts.

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

2. 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.

2. DEPOSITS AND INVESTMENTS (cont.)

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. The rating of the District's investments is noted below, if applicable.

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

Custodial credit risk. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2013.

At year end, the carrying amount of the District's deposits was \$2,111,147 and the bank balance was \$2,139,965. The bank balance was held by three banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$472,903 was covered by federal depository insurance and \$1,667,062 was covered by pledged securities held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank, and the independent third-party bank holding the pledged securities.

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.

3. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$279,847 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.

4. LONG-TERM DEBT

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Balance End of Year	Interest Paid
General Obligation Bonds	3.95% to								
Series 2006	4.35%	5-1-06	8,000,000	9-1-24	\$ 6,860,000	\$ -	\$ 365,000	\$ 6,495,000	\$ 276,387
Total Contractual Indebtedness					\$ 6,860,000	\$ -	\$ 365,000	\$ 6,495,000	\$ 276,387

4. LONG-TERM DEBT (cont.)

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

	Year							
	2014	2015	2016	2017	2018	2019-2023	2024-2025	Total
Principal:								
General obligation bonds								
Series 2006	\$ 400,000	\$ 430,000	\$ 460,000	\$ 490,000	\$ 520,000	\$ 3,155,000	\$ 1,040,000	\$ 6,495,000
Interest:								
General obligation bonds								
Series 2006	259,653	241,496	222,028	201,246	180,258	549,594	33,205	1,687,480
Total principal and interest	\$ 659,653	\$ 671,496	\$ 682,028	\$ 691,246	\$ 700,258	\$ 3,704,594	\$ 1,073,205	\$ 8,182,480

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Authority	Amount
General	At Risk (K-12)	K.S.A. 72-6428	\$ 380,000
General	Food Service	K.S.A. 72-6428	45,369
General	Parent Education	K.S.A. 72-6428	7,055
General	Special Education	K.S.A. 72-6428	876,562
General	Vocational Education	K.S.A. 72-6428	180,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	50,000
Supplemental General	Food Service	K.S.A. 72-6433	10,000
Supplemental General	Special Education	K.S.A. 72-6433	50,000

6. DEFINED BENEFIT PENSION PLAN

Plan Description: The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603 or by calling 1-888-275-5737.

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 member 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 employers share.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post-Employment Benefits

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

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.

(b) Compensated Absences

Accumulated sick pay is not paid to employees upon termination of employment unless employees have been employed fifteen years or more. In order to receive unused sick pay, employees must terminate employment because of retirement and no other reason. Vacation, sick leave and other compensated absences are recorded as expenditures in governmental funds when they are paid.

Employees earn 10 days sick leave each year with a maximum accumulation of 75 days. Any accumulation of sick leave over 75 days is paid to the employee at the rate of \$25 per day. Upon retirement after 15 years of employment the employee shall be paid \$25 for each day of unused sick leave.

The District has an "Early Resignation Incentive" program (not an early retirement program) as follows: Teachers who provide written notice of resignation at the end of the contract term will be provided the financial incentive, which corresponds to the resignation submission date stated in the program document.

8. CLAIMS AND JUDGMENTS

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

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

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2012 to 2013, and there were no settlements that exceeded insurance coverage in the past three years.

9. SCHOLARSHIP FUNDS

During the year ended June 30, 1994, the District was named trustee of the H. Dean Pippin Memorial Scholarship Fund. Under the terms of the trust agreement, all contributions to the fund must be maintained as principal. A scholarship(s) of at least 90% of earnings shall be granted at least annually from the income derived from the trust principal during the previous trust year to one or more high school seniors graduating from Marion High School who intend to continue their education with post-high school studies. Contributions of \$300 were made during the year ended June 30, 2013 and the corpus balance remains \$21,000.

9. SCHOLARSHIP FUNDS (cont.)

During the year ended June 30, 1997, the District was named trustee of the Corey Darrow Memorial Scholarship Fund. Under the terms of the trust agreement, all contributions to the fund must be maintained as principal. A scholarship(s) of at least 90% of earnings shall be granted at least annually from the income derived from the trust principal during the previous trust year to one or more high school seniors graduating from Marion High School who intend to continue their education with post-high school studies. No contributions were made during the year ended June 30, 2013 and the corpus balance remains \$10,000.

During the year ended June 30, 1998, the District was named trustee of the Calvin Ray Hett Memorial Scholarship Fund. Under the terms of the trust agreement, all contributions to the fund must be maintained as principal. A scholarship(s) of at least 90% of the net trust income acquired during the previous trust year can be given to a high school senior graduating from Marion High School who intends to continue their education with post-high school studies in agriculture or an agriculture related field. No contributions were made during the year ended June 30, 2013 and the corpus balance remains \$17,600.

During the year ended June 30, 1998, the District was named trustee of the Marion High School Alumni Endowed Scholarship Fund. Under the terms of the trust agreement, all funds and property will be held in trust with only the interest used for scholarship aid. The trust shall be perpetual. There shall be a scholarship granted at least annually from the income derived from the trust principal to one or more recipients, as deemed appropriate and advisable by the District. Preference is given to high school seniors who choose to enroll in an accredited school of higher education. Contributions of \$2,665 were made during the year ended June 30, 2013 and the corpus balance remains \$6,500.

During the year ended June 30, 2003, the District was named trustee of the MHS Coaches' Scholarship Fund. Under the terms, the fund is intended to be perpetual. The scholarship is to be awarded to college bound graduating seniors in honor of former Marion High School coaches who have been nominated and met the MHSCSP qualifying criteria. One student/athlete will be nominated by the coaching staff of each individual sport offered at Marion High School. In addition, the Marion High School Athletic Director will nominate one at-large student/athlete that has not been nominated by an individual sport. These individual scholarships shall be in the amount of \$250 per year until all funds are depleted, in addition there will be one \$500 scholarship awarded. Income may also be expended for scholarship recipient plaques according to an addendum approved July 1, 2009. Contributions of \$5,445 were made during the year ended June 30, 2013.

During the year ended June 30, 2003, the District was named trustee of the John Leslie and Ada Estelle Fruechting Memorial Scholarship Fund. Under the terms of the trust agreement, all funds will be held in the trust with only the interest used for scholarship aid. The trust shall be perpetual. There shall be a scholarship granted at least annually from the income derived from the trust principal to one or more recipients, as deemed appropriate and advisable by the District. Preference is to be given to high school seniors intending to pursue post-high school studies at a four-year college or university that have shown leadership qualities either in the classroom or school activities. No contributions were made during the year ended June 30, 2013 and the corpus balance remains \$45,000.

During the year ended June 30, 2006, the District was named trustee of the Stephen Bowers Memorial Scholarship Fund. Under the terms of the trust agreement, the fund is intended to have a limited life of 5 years, but may extend longer than that if additional funds are received. If the balance in the fund exceeds \$3,000, the committee may award any amount that exceeds \$3,000 in one year. Funds from the memorial shall be granted to Marion High School seniors intending to pursue post-high school studies in agriculture or any trade school. There shall be \$1,000 awarded, but no one applicant may receive more than \$500. No scholarship need be awarded if an acceptable or eligible application is not received. The first scholarship was available for the class of 2006, or a member of the classes of 2003, 2004 or 2005 who had completed study and the funds may be used to pay student loans from those courses. No contributions were made during the year ended June 30, 2013.

10. INTERLOCAL AGREEMENT

The City of Marion approved the proposal from USD #408 for the City to utilize the school districts' indoor swimming pool facility for public and City recreation use, with the City agreeing to pay \$100,000 annually to USD #408 for the life of the bonds and also split net expenses each year equally with the school district, to be reevaluated in three years.

USD #408, along with the City of Marion entered into an interlocal agreement on October 23, 2006, regarding the cooperative use of facilities, equipment, and personnel. The purpose of the agreement states the parties agree to execute one or more letter agreements that shall become a part of this agreement. The letters of understanding shall address issues relating to sharing facilities and resources controlled or owned by the parties, and may include use of facilities, equipment personnel; access to facilities, equipment, personnel; charges, costs, or fees; site improvements; maintenance responsibilities; duration of use or access; and times and dates of use or access. Letters of understanding in regard to expense sharing were signed December 31, 2008. No other letters of understanding have been signed.

11. SUBSEQUENT EVENTS

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

**UNIFIED SCHOOL DISTRICT NUMBER 408
MARION, KANSAS**

**REGULATORY-REQUIRED
SUPPLEMENTAL INFORMATION**

FISCAL YEAR ENDED JUNE 30, 2013

Unified School District Number 408
Marion, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
(Budgeted Funds Only)

For the Year Ended June 30, 2013

	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUNDS						
General	\$ 4,455,534	\$ (239,491)	\$ -	\$ 4,216,043	\$ 4,216,043	\$ -
Supplemental General	940,000	-	-	940,000	940,000	-
SPECIAL PURPOSE FUNDS:						
At Risk (K-12)	430,000	-	-	430,000	430,000	-
Capital Outlay	672,953	-	-	672,953	63,933	(609,020)
Driver Training	18,617	-	-	18,617	6,738	(11,879)
Food Service	446,466	-	-	446,466	355,264	(91,202)
Parent Education	7,055	-	-	7,055	7,055	-
Professional Development	12,250	-	-	12,250	10,646	(1,604)
Special Education	1,225,624	-	-	1,225,624	1,042,292	(183,332)
Vocational Education	293,120	-	-	293,120	276,769	(16,351)
KPERS Contribution	345,024	-	-	345,024	284,366	(60,658)
BOND AND INTEREST FUND:						
Bond and Interest	641,637	-	-	641,637	641,387	(250)
	<u>\$ 9,488,280</u>	<u>\$ (239,491)</u>	<u>\$ -</u>	<u>\$ 9,248,789</u>	<u>\$ 8,274,493</u>	<u>\$ (974,296)</u>

Unified School District Number 408
Marion, 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	
Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 7,648	\$ 34,517	\$ 26,339	\$ 8,178
Current year	455,418	490,497	428,368	62,129
Delinquent tax	9,028	7,201	13,085	(5,884)
Mineral production tax	2,170	433	-	433
State aid	3,067,733	2,942,978	3,146,142	(203,164)
Special education - state aid	764,883	740,417	602,109	138,308
Total Receipts	4,308,821	4,216,043	\$ 4,216,043	\$ -
Expenditures:				
Instruction -				
Certified salaries	904,821	725,534	\$ 996,847	\$ (271,313)
Certified salaries - Ed Jobs	8,593	7,949	-	7,949
Certified salaries - ARRA	1,941	-	-	-
Non-certified salaries	80,042	71,939	80,000	(8,061)
Insurance	71,368	65,751	75,000	(9,249)
Social Security	77,231	70,476	80,000	(9,524)
Other employee benefits	32,420	42,641	35,000	7,641
Purchased professional services	80,566	38,963	70,000	(31,037)
Other purchased services	70	-	-	-
General teaching supplies	45,131	58,257	52,382	5,875
Textbooks	6,646	4,558	10,000	(5,442)
Equipment and furniture	20,680	-	-	-
Other	73,459	97,962	80,000	17,962
Student Support Services -				
Certified salaries	54,756	99,862	101,000	(1,138)
Non-certified salaries	12,500	15,414	16,000	(586)
Insurance	4,954	4,598	6,000	(1,402)
Social Security	4,665	7,996	6,000	1,996
Other employee benefits	58	648	100	548
Purchased professional services	7,324	3,344	8,000	(4,656)
Supplies	246	1,612	2,500	(888)

Unified School District Number 408
Marion, Kansas

GENERAL FUND (cont.)

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)

	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Expenditures (cont.)				
Instruction Support Staff -				
Certified salaries	\$ 16,425	\$ 30,031	\$ 20,000	\$ 10,031
Non-certified salaries	85,729	84,637	85,000	(363)
Insurance	10,500	18,000	15,000	3,000
Social Security	6,676	7,665	8,000	(335)
Other employee benefits	83	506	200	306
Purchased professional services	23,353	24,652	25,000	(348)
Books and periodicals	7,317	5,277	8,000	(2,723)
Audio visual and instruction software	3,232	88	4,000	(3,912)
General Administration -				
Certified salaries	101,772	110,222	111,000	(778)
Non-certified salaries	690	511	2,000	(1,489)
Social Security	6,994	7,622	8,000	(378)
Other employee benefits	1,763	495	2,000	(1,505)
Purchased professional services	36,637	42,372	30,000	12,372
Insurance	3,201	4,530	3,000	1,530
Communications	21,388	22,234	20,000	2,234
Supplies	45	8,908	-	8,908
Other general administration	3,192	3,417	4,000	(583)
School Administration -				
Certified salaries	212,024	219,504	220,000	(496)
Non-certified salaries	95,038	93,554	95,000	(1,446)
Insurance	13,524	15,375	15,000	375
Social Security	21,384	21,441	22,000	(559)
Other employee benefits	1,943	1,534	2,000	(466)
Other purchased services	3,152	1,119	5,000	(3,881)
Supplies	16,674	11,531	15,000	(3,469)
Operations and Maintenance -				
Non-certified salaries	192,607	205,716	200,000	5,716
Insurance	33,750	27,375	35,000	(7,625)
Social Security	14,706	15,448	15,000	448
Other employee benefits	8,620	11,649	9,000	2,649
Purchased professional services	40,482	11,726	40,000	(28,274)
Water/sewer	14,593	14,305	15,750	(1,445)
Repairs and maintenance	463	4,127	5,000	(873)
Rentals	-	10,800	-	10,800

Unified School District Number 408
Marion, Kansas

GENERAL FUND (cont.)

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)

	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Expenditures (cont.)				
Other purchased property services	\$ 9,804	\$ 9,804	\$ 10,750	\$ (946)
Insurance	49,282	67,248	50,000	17,248
General supplies	757	904	1,000	(96)
Heating	2,350	4,231	4,000	231
Electricity	5,932	4,990	6,000	(1,010)
Other operations and maintenance	350	625	1,500	(875)
Student Transportation Services - Supervision				
Other	2,381	2,845	2,000	845
Vehicle Operating Services -				
Non-certified salaries	38,623	40,374	42,000	(1,626)
Insurance	8,625	4,500	12,000	(7,500)
Social security	2,903	3,123	5,000	(1,877)
Other employee benefits	3,391	6,120	5,000	1,120
Insurance	10,511	9,926	15,000	(5,074)
Motor Fuel	42,774	44,572	50,000	(5,428)
Equipment	66,503	(1,250)	-	(1,250)
Other	2,475	6,517	8,000	(1,483)
Vehicle and Maintenance Services -				
Purchased professional services	19,896	31,465	20,000	11,465
Other purchased services	6,047	1,633	5,000	(3,367)
Community Service Operations	43,221	45,843	45,000	843
Other Supplemental Service -				
Non-certified salaries	54,825	66,165	56,000	10,165
Insurance	10,500	10,500	12,000	(1,500)
Social Security	4,100	4,680	5,000	(320)
Other employee benefits	52	334	200	134
Supplies	7,705	8,033	8,000	33

Unified School District Number 408
Marion, Kansas

GENERAL FUND (cont.)

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	
Expenditures (cont.)				
Outgoing Transfers -				
At Risk (K-12)	\$ 375,000	\$ 380,000	\$ 380,000	\$ -
Food Service	35,000	45,369	25,000	20,369
Parent Education	6,625	7,055	7,055	-
Special Education	781,762	876,562	842,250	34,312
Vocational Education	220,000	180,000	180,000	-
Adjustment to comply with legal max	-	-	(239,491)	239,491
Legal General Fund Budget	<u>4,308,822</u>	<u>4,216,043</u>	<u>\$ 4,216,043</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(1)	-		
Unencumbered Cash, Beginning	<u>1</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

Unified School District Number 408
Marion, Kansas

SUPPLEMENTAL GENERAL

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)

	<u>2013</u>			Variance Over (Under)
	<u>2012 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and Shared Revenue-				
Ad valorem property				
Prior year	\$ 5,150	\$ 40,077	\$ 33,158	\$ 6,919
Current year	486,253	528,938	446,025	82,913
Delinquent tax	9,290	9,079	14,073	(4,994)
Motor vehicle tax	55,527	63,647	61,717	1,930
Recreational vehicle tax	1,244	1,263	1,466	(203)
State aid	399,570	371,746	376,451	(4,705)
Total Receipts	<u>957,034</u>	<u>1,014,750</u>	<u>\$ 932,890</u>	<u>\$ 81,860</u>
Expenditures:				
Instruction -				
Certified salaries	399,999	561,000	\$ 440,000	\$ 121,000
Insurance	15,000	20,000	20,000	-
Property	79,558	33,233	75,000	(41,767)
Operations & Maintenance -				
Repair of buildings	63,786	38,819	45,000	(6,181)
General supplies	41,003	41,490	40,000	1,490
Heating	31,203	41,186	40,000	1,186
Electricity	82,191	90,901	100,000	(9,099)
Property	554	3,371	20,000	(16,629)
Outgoing Transfers -				
At Risk (K-12)	-	50,000	50,000	-
Food Service	15,000	10,000	10,000	-
Special Education	221,706	50,000	100,000	(50,000)
Total Expenditures	<u>950,000</u>	<u>940,000</u>	<u>\$ 940,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	7,034	74,750		
Unencumbered Cash, Beginning	76	7,110		
Unencumbered Cash, Ending	<u>\$ 7,110</u>	<u>\$ 81,860</u>		

Unified School District Number 408
Marion, Kansas

AT RISK (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)

	<u>2012 Actual</u>	<u>2013</u>		<u>Variance Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from General Fund	\$ 375,000	\$ 380,000	\$ 380,000	\$ -
Transfer from Supplemental General Fund	-	50,000	50,000	-
Total Receipts	<u>375,000</u>	<u>430,000</u>	<u>\$ 430,000</u>	<u>\$ -</u>
Expenditures:				
Instruction -				
Certified salaries	350,000	400,000	\$ 400,000	\$ -
Social Security	25,000	30,000	30,000	-
Total Expenditures	<u>375,000</u>	<u>430,000</u>	<u>\$ 430,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

Unified School District Number 408
Marion, Kansas

CAPITAL OUTLAY

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)

	<u>2012 Actual</u>	<u>2013</u>		<u>Variance Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Interest on idle funds	\$ 3,260	\$ 2,762	\$ 5,000	\$ (2,238)
Other local source revenue	11,964	9,659	25,000	(15,341)
Total Receipts	<u>15,224</u>	<u>12,421</u>	<u>\$ 30,000</u>	<u>\$ (17,579)</u>
Expenditures:				
Instruction property	1,200	40,445	\$ 130,000	\$ (89,555)
Student support services property	-	-	20,000	(20,000)
General administration property	-	-	10,000	(10,000)
School administration property	-	-	10,000	(10,000)
Central services property	-	-	10,000	(10,000)
Operation and maintenance property	1,961	-	110,000	(110,000)
Building improvements	2,365	23,488	382,953	(359,465)
Total Expenditures	<u>5,526</u>	<u>63,933</u>	<u>\$ 672,953</u>	<u>\$ (609,020)</u>
Receipts Over (Under) Expenditures	9,698	(51,512)		
Unencumbered Cash, Beginning	<u>633,255</u>	<u>642,953</u>		
Unencumbered Cash, Ending	<u>\$ 642,953</u>	<u>\$ 591,441</u>		

Unified School District Number 408
Marion, Kansas

DRIVER TRAINING

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	
Receipts:				
Other local source revenue	\$ 3,750	\$ 4,575	\$ 4,000	\$ 575
State aid	2,444	2,418	2,430	(12)
Total Receipts	<u>6,194</u>	<u>6,993</u>	<u>\$ 6,430</u>	<u>\$ 563</u>
Expenditures:				
Instruction -				
Certified salaries	5,572	5,868	\$ 10,000	\$ (4,132)
Social Security	436	449	2,000	(1,551)
Other employee benefits	6	54	500	(446)
Supplies - general	521	367	5,117	(4,750)
Motor fuel - not school buses	-	-	1,000	(1,000)
Total Expenditures	<u>6,535</u>	<u>6,738</u>	<u>\$ 18,617</u>	<u>\$ (11,879)</u>
Receipts Over (Under) Expenditures	(341)	255		
Unencumbered Cash, Beginning	<u>12,528</u>	<u>12,187</u>		
Unencumbered Cash, Ending	<u>\$ 12,187</u>	<u>\$ 12,442</u>		

Unified School District Number 408
Marion, Kansas

FOOD SERVICE

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		2013		Variance Over (Under)
	Actual	Actual	Actual	Budget	
Receipts:					
Student sales	\$ 103,989	\$ 80,151	\$ 103,000	\$	(22,849)
Student sales - breakfast	-	16,669	20,200		(3,531)
Adult sales and ala carte	17,746	15,678	35,725		(20,047)
Other revenue	18,157	19,404	35,000		(15,596)
State aid	2,581	3,886	3,600		286
Federal aid	183,582	164,663	183,946		(19,283)
Transfer from General Fund	35,000	45,369	25,000		20,369
Transfer from Supplemental General Fund	15,000	10,000	10,000		-
Total Receipts	<u>376,055</u>	<u>355,820</u>	<u>\$ 416,471</u>	<u>\$</u>	<u>(60,651)</u>
Expenditures:					
Food Service Operation -					
Non-certified salaries	94,587	87,410	\$ 100,000	\$	(12,590)
Insurance	19,149	22,500	20,000		2,500
Social Security	6,179	6,504	8,000		(1,496)
Other employee benefits	3,428	3,435	5,000		(1,565)
Food and milk	231,569	215,868	277,466		(61,598)
Miscellaneous supplies	105	1,004	1,000		4
Property, equipment and furniture	161	215	5,000		(4,785)
Other food service operations	21,505	18,328	30,000		(11,672)
Total Expenditures	<u>376,683</u>	<u>355,264</u>	<u>\$ 446,466</u>	<u>\$</u>	<u>(91,202)</u>
Receipts Over (Under) Expenditures	(628)	556			
Unencumbered Cash, Beginning	<u>30,623</u>	<u>29,995</u>			
Unencumbered Cash, Ending	<u>\$ 29,995</u>	<u>\$ 30,551</u>			

Unified School District Number 408
Marion, Kansas

PARENT EDUCATION

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	
Receipts:				
Transfer from General Fund	\$ 6,625	\$ 7,055	\$ 7,055	\$ -
Expenditures:				
Purchased professional services	6,625	7,055	\$ 7,055	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 408
Marion, Kansas

PROFESSIONAL DEVELOPMENT

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)

	<u>2012 Actual</u>	<u>2013</u>		<u>Variance Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from General Fund	\$ 12,000	\$ -	\$ -	\$ -
Expenditures:				
Purchased professional services	4,633	9,809	\$ 10,000	\$ (191)
Other	398	837	2,250	(1,413)
Total Expenditures	<u>5,031</u>	<u>10,646</u>	<u>\$ 12,250</u>	<u>\$ (1,604)</u>
Receipts Over (Under) Expenditures	6,969	(10,646)		
Unencumbered Cash, Beginning	<u>5,281</u>	<u>12,250</u>		
Unencumbered Cash, Ending	<u>\$ 12,250</u>	<u>\$ 1,604</u>		

Unified School District Number 408
Marion, Kansas

SPECIAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
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	
Receipts:				
Miscellaneous revenue	\$ 18,512	\$ -	\$ -	\$ -
Transfer from General Fund	781,762	876,562	842,250	34,312
Transfer from Supplemental General Fund	221,706	50,000	100,000	(50,000)
Receipts	<u>1,021,980</u>	<u>926,562</u>	<u>\$ 942,250</u>	<u>\$ (15,688)</u>
Expenditures:				
Instruction -				
Payment to Special Education Coop	310,005	297,259	\$ 357,024	\$ (59,765)
Payment to Sp Ed Coop (Flowthrough)	746,673	721,953	840,000	(118,047)
Vehicle Operating Service -				
Non-certified salaries	12,973	8,026	15,000	(6,974)
Social Security	1,003	614	1,500	(886)
Other employee benefits	3	80	100	(20)
Contract bus services	-	3,411	-	3,411
Insurance	1,332	894	2,000	(1,106)
Motor fuel	7,646	10,055	10,000	55
Total Expenditures	<u>1,079,635</u>	<u>1,042,292</u>	<u>\$ 1,225,624</u>	<u>\$ (183,332)</u>
Receipts Over (Under) Expenditures	(57,655)	(115,730)		
Unencumbered Cash, Beginning	<u>341,029</u>	<u>283,374</u>		
Unencumbered Cash, Ending	<u>\$ 283,374</u>	<u>\$ 167,644</u>		

Unified School District Number 408
Marion, Kansas

KANSAS MIDDLE SCHOOL AFTER SCHOOL ACTIVITY GRANT

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
State aid	\$ 11,539	\$ 10,301
Expenditures:		
Instruction -		
Certified Salaries	10,718	10,301
Social Security	821	-
Total Expenditures	<u>11,539</u>	<u>10,301</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 408
Marion, Kansas

VOCATIONAL EDUCATION

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	
Receipts:				
Transfer from General Fund	\$ 220,000	\$ 180,000	\$ 180,000	\$ -
Federal aid	4,402	-	-	-
Other revenue local source	-	9,236	-	9,236
Total Receipts	<u>224,402</u>	<u>189,236</u>	<u>\$ 180,000</u>	<u>\$ 9,236</u>
Expenditures:				
Instruction -				
Certified salaries	174,464	252,345	\$ 253,817	\$ (1,472)
Social Security	11,041	15,975	15,000	975
Other employee benefits	352	1,284	2,000	(716)
Other purchased services	-	2,500	-	2,500
General teaching supplies	4,363	4,665	5,000	(335)
Property and equipment	15,496	-	17,303	(17,303)
Total Expenditures	<u>205,716</u>	<u>276,769</u>	<u>\$ 293,120</u>	<u>\$ (16,351)</u>
Receipts Over (Under) Expenditures	18,686	(87,533)		
Unencumbered Cash, Beginning	<u>94,434</u>	<u>113,120</u>		
Unencumbered Cash, Ending	<u>\$ 113,120</u>	<u>\$ 25,587</u>		

Unified School District Number 408
Marion, Kansas

KPERS SPECIAL RETIREMENT CONTRIBUTION

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	
Receipts:				
State Sources - KPERS	\$ 324,725	\$ 284,366	\$ 345,024	\$ (60,658)
Expenditures:				
Employee Benefits -				
Instruction	211,072	184,839	\$ 220,000	\$ (35,161)
Student Support	6,494	5,687	8,000	(2,313)
Instructional Support	16,236	14,218	19,000	(4,782)
General Administration	16,236	14,218	19,000	(4,782)
School Administration	25,978	22,749	26,024	(3,275)
Operations & Maintenance	22,731	19,906	24,000	(4,094)
Student Transportation Services	16,236	14,218	19,000	(4,782)
Food Service	9,742	8,531	10,000	(1,469)
Total Expenditures	324,725	284,366	\$ 345,024	\$ (60,658)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Unified School District Number 408
Marion, Kansas

CONTINGENCY RESERVE

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ -	\$ -
Expenditures:		
Other	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>148,705</u>	<u>148,705</u>
Unencumbered Cash, Ending	<u>\$ 148,705</u>	<u>\$ 148,705</u>

Unified School District Number 408
Marion, Kansas

TEXTBOOK AND STUDENT MATERIALS REVOLVING

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Fees and material sales	\$ 28,058	\$ 30,715
Expenditures:		
Materials and supplies	<u>27,035</u>	<u>9,641</u>
Receipts Over (Under) Expenditures	1,023	21,074
Unencumbered Cash, Beginning	<u>9,660</u>	<u>10,683</u>
Unencumbered Cash, Ending	<u>\$ 10,683</u>	<u>\$ 31,757</u>

Unified School District Number 408
Marion, Kansas

TITLE I

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Federal grant	\$ 86,124	\$ 85,217
Expenditures:		
Certified salaries	62,058	33,106
Classified salaries	17,286	45,601
Social Security	6,697	6,032
Employee benefits	83	478
Total Expenditures	<u>86,124</u>	<u>85,217</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 408
Marion, Kansas

TITLE II-A TEACHER QUALITY

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Federal aid	\$ 22,592	\$ 22,449
Expenditures:		
Instruction - Certified salaries	<u>22,592</u>	<u>22,449</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Unified School District Number 408
Marion, Kansas

GRANTS

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Grants	\$ 31,320	\$ 37,317
Expenditures:		
Miscellaneous	<u>32,650</u>	<u>35,717</u>
Receipts Over (Under) Expenditures	(1,330)	1,600
Unencumbered Cash, Beginning	<u>1,330</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1,600</u>

Unified School District Number 408
Marion, Kansas

BOND AND INTEREST

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u>		<u>Variance</u> <u>Over</u> <u>(Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and Shared Revenue -				
Ad valorem property				
Prior year	\$ 6,016	\$ 22,095	\$ 18,322	\$ 3,773
Current year	268,015	294,635	260,868	33,767
Delinquent tax	6,200	5,988	7,759	(1,771)
Motor vehicle tax	36,292	38,038	36,506	1,532
Recreational vehicle tax	811	750	867	(117)
State aid	195,848	198,824	198,907	(83)
Other local source revenue	100,000	100,000	100,000	-
Total Receipts	<u>613,182</u>	<u>660,330</u>	<u>\$ 623,229</u>	<u>\$ 37,101</u>
Expenditures:				
Principal	340,000	365,000	\$ 365,000	\$ -
Interest	291,809	276,387	276,387	-
Commission	-	-	250	(250)
Total Expenditures	<u>631,809</u>	<u>641,387</u>	<u>\$ 641,637</u>	<u>\$ (250)</u>
Receipts Over (Under) Expenditures	(18,627)	18,943		
Unencumbered Cash, Beginning	<u>691,846</u>	<u>673,219</u>		
Unencumbered Cash, Ending	<u>\$ 673,219</u>	<u>\$ 692,162</u>		

Unified School District Number 408
Marion, Kansas

PIPPIN SCHOLARSHIP

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Interest	\$ 397	\$ 269
Donations	<u> -</u>	<u> 300</u>
Total Receipts	397	569
Expenditures:		
Scholarships awarded	<u> 500</u>	<u> 350</u>
Receipts Over (Under) Expenditures	(103)	219
Unencumbered Cash, Beginning	<u> 21,631</u>	<u> 21,528</u>
Unencumbered Cash, Ending	<u>\$ 21,528</u>	<u>\$ 21,747</u>

Unified School District Number 408
Marion, Kansas

DARROW SCHOLARSHIP

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Interest	\$ 115	\$ 129
Expenditures:		
Scholarships awarded	<u>250</u>	<u>100</u>
Receipts Over (Under) Expenditures	(135)	29
Unencumbered Cash, Beginning	<u>10,473</u>	<u>10,338</u>
Unencumbered Cash, Ending	<u>\$ 10,338</u>	<u>\$ 10,367</u>

Unified School District Number 408
Marion, Kansas

HETT SCHOLARSHIP

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Interest	\$ 132	\$ 223
Expenditures:		
Scholarships awarded	<u>100</u>	<u>125</u>
Receipts Over (Under) Expenditures	32	98
Unencumbered Cash, Beginning	<u>17,711</u>	<u>17,743</u>
Unencumbered Cash, Ending	<u>\$ 17,743</u>	<u>\$ 17,841</u>

Unified School District Number 408
Marion, Kansas

MHS ALUMNI SCHOLARSHIP

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Donations	\$ -	\$ 2,665
Interest	<u>50</u>	<u>116</u>
Total Cash Receipts	50	2,781
Expenditures:		
Scholarships awarded	<u>300</u>	<u>100</u>
Receipts Over (Under) Expenditures	(250)	2,681
Unencumbered Cash, Beginning	<u>7,650</u>	<u>7,400</u>
Unencumbered Cash, Ending	<u>\$ 7,400</u>	<u>\$ 10,081</u>

Unified School District Number 408
Marion, Kansas

FRUECHTING MEMORIAL SCHOLARSHIP

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Interest	\$ 871	\$ 759
Expenditures:		
Scholarships awarded	<u>2,000</u>	<u>2,000</u>
Receipts Over (Under) Expenditures	(1,129)	(1,241)
Unencumbered Cash, Beginning	<u>62,895</u>	<u>61,766</u>
Unencumbered Cash, Ending	<u>\$ 61,766</u>	<u>\$ 60,525</u>

Unified School District Number 408
Marion, Kansas

MHS COACHES SCHOLARSHIP

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Donations	\$ 40	\$ 5,445
Interest	<u>104</u>	<u>226</u>
Total Cash Receipts	144	5,671
Expenditures:		
Scholarships awarded	<u>2,089</u>	<u>2,344</u>
Receipts Over (Under) Expenditures	(1,945)	3,327
Unencumbered Cash, Beginning	<u>16,839</u>	<u>14,894</u>
Unencumbered Cash, Ending	<u>\$ 14,894</u>	<u>\$ 18,221</u>

Unified School District Number 408
Marion, Kansas

STEPHEN BOWERS SCHOLARSHIP

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)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Receipts:		
Interest	\$ 1	\$ -
Expenditures:		
Scholarships awarded	-	-
Receipts Over (Under) Expenditures	1	-
Unencumbered Cash, Beginning	<u>74</u>	<u>75</u>
Unencumbered Cash, Ending	<u>\$ 75</u>	<u>\$ 75</u>

Unified School District Number 408
Marion, Kansas

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year Ended June 30, 2013

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Student Organizations:				
High School:				
Class of 2006	\$ 11	\$ -	\$ -	\$ 11
Class of 2007	345	-	-	345
Class of 2008	230	-	-	230
Class of 2009	357	-	-	357
Class of 2010	329	-	37	292
Class of 2012	2,035	-	-	2,035
Class of 2013	1,792	3,180	3,836	1,136
Class of 2014	80	8,430	7,860	650
Class of 2015	100	2,275	299	2,076
Class of 2016	-	100	-	100
Cheerleading	312	2,002	2,057	257
Drama	129	-	-	129
English Trip	83	3,392	3,084	391
FCCLA	1,086	2,769	2,960	895
FBLA	133	162	280	15
FEA	862	568	507	923
Forensics	691	1,387	1,492	586
Future Farmers of America	2,624	34,556	30,938	6,242
NHS	39	2,560	1,557	1,042
Instrumental music	512	996	1,147	361
Student Council	696	1,535	1,205	1,026
Vocal music	1,843	7,832	9,301	374
Weightlifting	1,828	15,414	14,818	2,424
MAYB	3,222	1,331	3,711	842
Key Club	1,514	1,926	2,087	1,353
Coffee Shop	-	1,283	379	904
Subtotal High School	<u>20,853</u>	<u>91,698</u>	<u>87,555</u>	<u>24,996</u>
Middle School:				
Student Council	233	3,880	3,771	342
Eighth grade trip	3,934	11,570	12,808	2,696
Subtotal Middle School	<u>4,167</u>	<u>15,450</u>	<u>16,579</u>	<u>3,038</u>
Total Student Organization Funds	25,020	107,148	104,134	28,034
Payroll clearing	51,235	18,200	9,100	60,335
Sales tax	531	3,146	3,673	4
Total Agency Funds	<u>\$ 76,786</u>	<u>\$ 128,494</u>	<u>\$ 116,907</u>	<u>\$ 88,373</u>

Unified School District Number 408
Marion, Kansas

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2013

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Gate Receipts:						
High School Athletics	\$ 4,081	\$ 32,032	\$ 34,642	\$ 1,471	\$ -	\$ 1,471
Middle School Athletics	1,194	8,314	8,678	830	-	830
Total District Activity Funds	<u>\$ 5,275</u>	<u>\$ 40,346</u>	<u>\$ 43,320</u>	<u>\$ 2,301</u>	<u>\$ -</u>	<u>\$ 2,301</u>